Larvotto Resources Limited

ABN 16 645 596 238

Audited Financial Statements - 31 December 2020

Directors	Ronald Heeks - Managing Director (appointed on 2 November 2020) Mark Tomlinson - Non-Executive Director (appointed on 2 November 2020) Anna Nahajski-Staples - Non-Executive Director (appointed on 2 November 2020)
Company secretary	Ms Melanie Leydin
Registered office	Unit 2, 103 Flora Terrace, North Beach WA 6020
Principal place of business	Unit 2, 103 Flora Terrace, North Beach WA 6020
Auditor	Nexia Perth Audit Services Pty Ltd
Website	https://www.larvottoresources.com/

The Directors present their report, together with the financial statements, of Larvotto Resources Limited (referred to hereafter as the 'Company') at 31 December 2020.

These financial statements cover the period from the incorporation date, 2 November 2020 to 31 December 2020 (the 'Period').

Directors
The following persons were Directors of the Company during the whole of the financial period and up to the date of this report, unless otherwise stated:

Ronald Heeks - Managing Director and Chief Executive Officer (appointed on 2 November 2020)
Mark Tomlinson - Non-Executive Director and Chair (appointed on 2 November 2020)
Anna Nahajski-Staples - Non-Executive Director (appointed on 2 November 2020)

Principal activities
Larvotto Resources Limited was established on 2 November 2020, to advance exploration and development projects in both Australia and overseas. During the period ended, of the Company identified a number of gold exploration and development focused high-grade opportunities in the USA and Australia. The Company currently is in various stages of finalisation of these opportunities.

Dividends
There were no dividends paid or declared during the current financial period ended.

Review of operations
The loss for the Company after providing for income tax amounted to $62,241.

Financial Position

The net asset deficit of the Company was to $56,241 as at 31 December 2020. The Company had net cash inflows from the advances for share capital of $130,000.

The loss for the current period is consistent with the principal activities of the Company with no revenue-generating activities.

Significant changes in the state of affairs
The Company has entered into a binding exclusivity agreement with Minotaur Operations Pty Limited (Minotaur) in respect of the acquisition of 100% of the Highlands Copper Project, located in North West Queensland. Subject to conditions precedent, the Company is required to make the following considerations in respect of the acquisition:

- exclusivity payment of $25,000 (exclusive of GST) at the time of signing the agreement;
- at Completion, the Company is required to make a cash payment of $100,000 (exclusive of GST). In addition, the Company is required to issue fully paid ordinary shares amounting to $500,000, based upon the issue price of shares offered to the public, under the prospectus issued by the Company for its ordinary shares to be listed for quotation on the Australian Securities Exchange. In the event that options are issued to promoters, investors, brokers and/or underwriters, issue options to Minotaur on the same terms and conditions and in the same ratio of options granted; and
- pay a 1% Net Smelter Royalty in relation to all ores, minerals, concentrates and other products that are mined and removed from all or any part of the Tenements (Royalty).

There were no other significant changes in the state of affairs of the Company during the financial period.

Matters subsequent to the end of the financial period
Subsequent to the period end, between February and April 2021, the Company has issued 15,880,000 fully paid ordinary shares at an issue price of $0.0625 per share, raising a total of $992,500 (before transaction costs) under the Seed Capital Raise. A further 440,000 fully paid ordinary shares at $0.0625 per share were also issued to settle liabilities amounting to $27,500 to a director on 9 February 2021.

Subsequent to the period end, the Company has incorporated three (3) subsidiaries as follows;

- Eyre Resources Pty Ltd, incorporated on 11 February 2021,
- TAS Exploration Pty Ltd, incorporated on 12 February 2021 and;
- Madeleine Exploration Pty Limited, incorporated on 10 March 2021.

On 25 February 2021, the Company entered into a tenement sale agreement with Ardea Exploration Pty Ltd (a wholly owned subsidiary of Ardea Resources Limited (ASX: ARL)) (**Ardea**) under which it has agreed to acquire 100% of the Eyre project. The material terms of the tenement sale agreement are summarised below:

(a) **Acquisition:** The Company will acquire 100% interest in the tenements comprising the Eyre Project (being, E63/1827, E63/1974, E63/1929, E63/1976, E63/1995 (ELA) and E63/2008) (the **Bedonia Tenements**) from Ardea.

(b) **Conditions:** Settlement of the acquisition is subject to satisfaction or waiver of the following outstanding conditions precedent on or before 30 June 2021 (unless an earlier date is set out in respect of a condition below below):

- the Company raising at least $4 million (before costs) at an issue price of not less than $0.20 per Share.

- the receipt of all regulatory approvals (as required) in order to undertake the transaction contemplated by the agreement, including in-principal approval of the terms of the transaction from ASX; and

- the Company receiving a letter from ASX granting conditional approval for the admission of the Company to the Official List of ASX (on terms acceptable to the Company).

(c) **Consideration:** The consideration payable to Ardea for the acquisition at completion is as follows:
- the issue of 1,000,000 ordinary shares; and
- the grant of 1.5% net smelter return royalty payable on minerals extracted from the Bedonia Tenements.

(d) **Royalty**: At any time following completion, the Company may elect (at its sole election) to extinguish the royalty by making a payment of $2,000,000 in cash or Shares at the election of Ardea.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Likely developments and expected results of operations

Information on other likely developments in the operations of the Company and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Company.

Environmental regulation

During the period ended 31 December 2020, the Company was not subject to any environmental regulations. However, the Company is in its final stages of gaining exploration and development tenements in both Australia and in overseas. The various authorities granting such tenements require the license holder to comply with the terms of the grant of the license and all directions given to it under those terms of the license in future.

Information on Directors

Name:	Ronald Heeks
Title:	Managing Director and Chief Executive Officer
Qualifications:	BAppSc, MAusIMM
Experience and expertise:	Ron is a geologist with 35 years' experience in mining, exploration and corporate affairs. Extensive experience in advancing project from early stage to development and operations in several countries. CEO or MD of ASX listed companies including Geopacific Resources Limited, Nickelore Limited, Coolgardie Gold Limited and SmartTrans Limited and non-executive director of Xanadu Mines Limited. Ron has been in senior management roles including Adamus Resources and Straits Resources. Founding Partner of Exploration and Mining Consultants. During senior roles debt and equity funds raised are in excess of half a billion dollars.
Special responsibilities:	None

Name:	Mark Tomlinson
Title:	Non-Executive Chairman
Qualifications:	B Eng (Mining), FAusIMM
Experience and expertise:	Investment Banker and Mining Engineer with over 40 years' experience in the Australian mining sector. Most recently, Mark was a Corporate Finance Director for over 13 years with Patersons Securities in Melbourne and was involved in originating and executing a substantial number of capital raisings including IPOs for a range of ASX-listed companies primarily in resources and also for oil and gas clients as well as industrial companies. In addition, Mark completed and was involved in numerous M&A transactions. Mark acted as Corporate Adviser to a number of ASX companies during this time, advising on strategy, asset and funding initiatives. Prior to joining Patersons, Mark worked as a consultant for companies including BHP Billiton and Credit Swiss on a range of projects including the divestment and contracting of a major coal operation. For 10 years Mark was a rated senior mining analyst in equities research with Bankers Trust and JPMorgan covering a range of ASX resources companies and sectors including BHP and Rio Tinto. Mark began his career as a mining engineer with BHP Billiton and Rio Tinto in underground coal operations for over a decade before moving to Bankers Trust. He subsequently re-joined BHP as Strategy manager for BHP in its Carbon Steel Materials division (iron ore, met coal and manganese) for two years based in Melbourne. Mark is a Fellow of the Australasian Institute of Mining and Metallurgy.
Special responsibilities:	None

Name:	Anna Maria Staples
Title:	Non-Executive Director
Qualifications:	BA Bus, F Fin, ACIS, GAICD
Experience and expertise:	Anna is an investment banker with 28 years' experience (15 years in mining) representing over half a billion dollars in transactions. Currently, Anna is an Executive Director (and Responsible Person with ASIC for current AFSL) of Paloma Investments and an Executive Director of Moneghetti Minerals Limited (February 2020 – present). Anna was Executive Director of New Zealand-focused gold exploration company Condamine Resources Limited which she co-founded in 2017 and is now called Siren Gold (ASX: SNG) (from May 2017 – June 2019). Prior to that, Anna completed a 7-year engagement with Doray Minerals supporting the company's executive team from pre-IPO through to the company being awarded 'Australian Mine of the Year' for Andy Well in 2015 and a 2-year engagement with MOD Resources following its successful T3 copper discovery in Botswana and leading up to its dual- listing on the LSE. Anna has also held company secretary roles and acted as corporate advisor to a variety of junior to mid-cap ASX-listed resource companies in addition to consulting to large companies such as BHP Billiton. Anna is a Fellow of Finsia, a graduate of the Governance Institute of Australia (2009) and the Australian Institute of Company Directors (2007) and studied accounting at Harvard University (1993) before receiving a Bachelor of Business Administration from the University of Washington.
Special responsibilities:	None

Company secretary

Melanie Leydin – BBus (Acc. Corp Law) CA FGIA – Company Secretary

Melanie Leydin holds a Bachelor of Business majoring in Accounting and Corporate Law. She is a member of the Institute of Chartered Accountants, Fellow of the Governance Institute of Australia and is a Registered Company Auditor. She graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and since February 2000 has been the principal of Leydin Freyer. The practice provides outsourced company secretarial and accounting services to public and private companies across a host of industries including but not limited to the Resources, technology, bioscience, biotechnology and health sectors.

Melanie has over 25 years' experience in the accounting profession and over 15 years as a Company Secretary. She has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganisation of Companies and shareholder relations.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the period ended 31 December 2020, and the number of meetings attended by each Director were:

	Meetings Held	Meetings Attended
Ronald Heeks	1	1
Mark Tomlinson	1	1
Anna Maria Staples	1	1

Held: represents the number of meetings held during the time the Director held office.

Shares under option

There were no unissued ordinary shares of the Company under option outstanding at the date of this report.

Shares under performance rights
There were no unissued ordinary shares of the Company under performance rights outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of the Company issued on the exercise of options during the period ended 31 December 2020 and up to the date of this report.

Shares issued on the exercise of performance rights
There were no ordinary shares of the Company issued on the exercise of performance rights during the period ended 31 December 2020 and up to the date of this report.

Indemnity and insurance of officers
The Company has indemnified the directors of the Company for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith.

During the period, the Company paid a premium in respect of a contract to insure the directors of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and insurance of auditor
The Company has not otherwise, during or since the period, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the period, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to 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 part of those proceedings.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Auditor
Nexia Perth Audit Services Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001

On behalf of the Directors

Ron Heeks

Ronald Heeks
Managing Director

17 May 2021

Nexia Australia

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

To the Directors of Larvotto Resources Limited

As lead audit director for the audit of the financial report of Larvotto Resources Limited, for the period 2 November 2020 (being the date of incorporation) to 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours sincerely

NPAS

Nexia Perth Audit Services Pty Ltd

Muranda Janse Van Nieuwenhuizen
Director

17 May 2021

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	Note	From the date of incorporation to 31 December 2020 $
Expenses		
Corporate and administration expenses	4	(62,241)
Total expenses		(62,241)
Loss before income tax expense		(62,241)
Income tax expense		-
Loss after income tax expense for the period attributable to the owners of Larvotto Resources Limited		(62,241)
Other comprehensive income for the period, net of tax		-
Total comprehensive income for the period attributable to the owners of Larvotto Resources Limited		(62,241)
		Cents
Basic loss per share	16	(1.04)
Diluted loss per share	16	(1.04)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Larvotto Resources Limited
Statement of financial position
As at 31 December 2020

	Note	31 December 2020 $
Assets		
Current assets		
Cash and cash equivalents	5	130,000
Trade and other receivables		10,017
Total current assets		140,017
Total assets		140,017
Liabilities		
Current liabilities		
Trade and other payable	6	66,258
Advances for share capital		130,000
Total current liabilities		196,258
Total liabilities		196,258
Net liabilities		(56,241)
Equity		
Contributed equity	7	6,000
Accumulated losses		(62,241)
Total deficiency in equity		(56,241)

The above statement of financial position should be read in conjunction with the accompanying notes

Larvotto Resources Limited
Statement of changes in equity
For the period ended 31 December 2020

	Contributed equity $	Accumulated losses $	Total deficiency in equity $
Balance at 2 November 2020	-	-	-
Loss after income tax expense for the period	-	(62,241)	(62,241)
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the period	-	(62,241)	(62,241)
Transactions with owners in their capacity as owners:			
Contributions of equity, net of transaction costs (note 7)	6,000	-	6,000
Balance at 31 December 2020	6,000	(62,241)	(56,241)

The above statement of changes in equity should be read in conjunction with the accompanying notes

	Note	From the date of incorporation to 31 December 2020 $
Net cash from operating activities	15	-
Net cash from investing activities		-
Cash flows from financing activities		
Advances received for share capital		130,000
Net cash from financing activities		130,000
Net increase in cash and cash equivalents		130,000
Cash and cash equivalents at the beginning of the financial period		-
Cash and cash equivalents at the end of the financial period	5	130,000

Note 1. General information

The financial statements are presented in Australian dollars, which is Larvotto Resources Limited's functional and presentation currency.

Larvotto Resources Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Unit 2, 103,Flora Terrace
North Beach,
WA 6020

A description of the nature of the Company's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 17 May 2021. The Directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below.

New or amended Accounting Standards and Interpretations adopted
The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Conceptual Framework for Financial Reporting (Conceptual Framework)
The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 July 2021 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Company has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Company may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the Company's financial statements.

Note 2. Significant accounting policies (continued)

Going concern

The 31 December 2020 financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

For the period ended 31 December 2020, the Company recorded a net loss of $62,241 and at 31 December 2020 had a net working capital deficit of $56,241. The Company had cash balances of $130,000 received as part of the capital raise. Subsequent to the period end, between February and April 2021, the Company issued 15,880,000 fully paid ordinary shares at an issue price of $0.0625 per share under the Seed Capital Raise. A further 440,000 fully paid ordinary shares at $0.0625 per share were also issued to settle liabilities to a director on 9 February 2021.

Based on the Company's cash flow forecast and agreements entered subsequent to 31 December 2020, it is likely that the Company will require to access additional working capital in the next 12 months to advance its exploration projects, acquisition costs and to ensure extinguishment of liabilities as and when they fall due.

The Company is currently is in the process to prepare for an Initial Public Offering (IPO) on the Australian Stock Exchange (ASX). The Company is currently in the process of preparing the offer document (Prospectus) and expects to undertake the IPO in the Q3 2021 period. The Directors are confident that the Company will be successful in raising additional funds through the issue of new equity. However, factors beyond the Company’s control, including COVID-19 pandemic, which affect the stock markets, may in turn have a negative impact on any fund raising. However in event of the Company is unable to raise additional capital as discussed above, the Directors are confident that the Company will have access to additional working capital in the form of directors / related party loans and able to defer certain liabilities beyond 12 months from the reporting date.

Based on the above facts, the Directors consider the going concern basis of preparation to be appropriate for this financial report. Should the Company be unsuccessful in raising additional funds through the issue of new equity to fund future commitments for its existing assets, there is a material uncertainty which may cast significant doubt whether the Company will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial statements do not include any adjustments relative to the recoverability and classification of recorded asset amounts or, to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

Basis of preparation

In the Directors’ opinion, the Company is a reporting entity because there are users dependent on general purpose financial statements. The financial statements are therefore general purpose financial statements that have been prepared in order to meet the needs of members and the requirements of an Initial Public Offering as part of its process to be admitted to the official list of the Australian Stock Exchange (ASX).

The financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act, as appropriate for for-profit oriented entities. Australian Accounting Standards adopted by the AASB are consistent with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board. Unless otherwise stated, the accounting policies of the Company have been consistently applied throughout the periods presented.

The directors have determined that the accounting policies are appropriate to meet the needs of members and the requirements of an Initial Public Offering. The financial statements have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Note 2. Significant accounting policies (continued)

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets
The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Note 2. Significant accounting policies (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. There are no specific critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

Note 4. Expenses

	From the date of incorporation to 31 December 2020 $
Loss before income tax includes the following specific expenses:	
Corporate and administration expenses	
Exclusivity expenses	25,000
Directors fees	31,825
General expenses	1,222
Legal expenses	1,198
Subscriptions	150
Telephone & internet	340
ASIC fees	506
Audit fees	2,000
	62,241

Note 5. Current assets - Cash and cash equivalents

	31 December 2020 $
Cash at bank	130,000

Accounting policy for cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 6. Current liabilities - Trade and other payable

	31 December 2020 $
Trade payables	44,183
Accrued expenses	22,075
	66,258

Refer to note 9 for further information on financial instruments.

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial period and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 7. Equity - Contributed equity

	31 December 2020	
	Shares	$
Contributed equity	6,000,003	6,000

During the period, the Company has issued 6,000,003 fully paid ordinary shares to the Directors (or their nominee). In addition, as at 31 December 2020, there were advances of $130,000 received in relation to ordinary shares as part of the Seed Capital Raise, which the Company commenced during the period.

Subsequent to the period end, between February and April 2021, the Company has issued 15,880,000 fully paid ordinary shares at an issue price of $0.0625 per share, raising a total of $992,500 (before transaction costs) under the Seed Capital Raise. A further 440,000 fully paid ordinary shares at $0.0625 per share were also issued to settle liabilities amounting to $27,500 to a director on 9 February 2021.

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Capital risk management
The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can maintain an optimum capital structure to achieve the objectives.

Capital is regarded as total equity, as recognised in the statement of financial position.

Note 7. Equity - Contributed equity (continued)

Accounting policy for issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 8. Equity - Dividends

There were no dividends paid or declared during the current financial period ended.

Accounting policy for dividends
Dividends are recognised when declared during the financial period and no longer at the discretion of the Company.

Note 9. Financial instruments

Financial risk management objectives
The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('Finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Company and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Company's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk
Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the Company's functional currency. The Company was not exposed to any foreign currency risk at the reporting date.

Price risk
The Company is not exposed to any significant price risk at the reporting date.

Interest rate risk
The Company's not exposed to interest rate risk at the reporting date.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Company does not hold any collateral. The Company is not exposed credit concentration risk at the reporting date.

Liquidity risk
Liquidity risk management requires the Company to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 9. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the Company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

31 December 2020	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade and other payables	44,183	-	-	-	44,183
Other payables	22,075	-	-	-	22,075
Total non-derivatives	66,258	-	-	-	66,258

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. Where appropriate, the fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

Note 10. Key management personnel disclosures

Directors
The following persons were Directors of Larvotto Resources Limited during the financial period:

Ronald Heeks	Managing Director and Chief Executive Officer
Mark Tomlinson	Non-Executive Director
Ms Anna Nahajski-Staples	Non-Executive Director

Compensation
The aggregate compensation made to Directors and other members of key management personnel of the Company is set out below:

	From the date of incorporation to 31 December 2020 $
Short-term employee benefits	31,825

Note 11. Remuneration of auditors

During the financial half year the following fees were paid or payable for services provided by Nexia Australia, the auditor of the Company:

	From the date of incorporation to 31 December 2020 $
Audit services - Nexia Perth Audit Services Pty Ltd	
Audit or review of the financial statements	2,000

Note 12. Commitments

The Company has entered into a binding exclusivity agreement with Minotaur Exploration Limited (Minotaur) in respect of the acquisition of 100% of the Highlands Copper Project, located in North West Queensland. Subject to conditions precedent, the Company is required to make following considerations in respect of the acquisition:

- exclusivity payment of A$25,000 (exclusive of GST) at the time of signing the agreement (This amount recognised in these financial statements as a liability as the Company signed agreement prior to 31 December 2020).
- at Completion the Company is required to make a cash payment of A$100,000 (exclusive of GST). In addition, the Company is required to issue fully paid ordinary shares amounting to $500,000 based upon the issue price of shares offered to the public under the prospectus issued by the Company for its ordinary shares to be listed for quotation on the Australian Securities Exchange. In the event that options are issued to promoters, investors, brokers and/or underwriters, issue options to Minotaur on the same terms and conditions and in the same ratio of options granted; and
- pay a 1% Net Smelter Royalty in relation to all ores, minerals, concentrates and other products that are mined and removed from all or any part of the Tenements (Royalty).

No other commitments existed at the period ended 31 December 2020.

Note 13. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 10.

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	31 December 2020 $
Current payables:	
Trade payables to directors and entities associated with directors	61,057

Loans to/from related parties
There were no loans to or from related parties at the reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 14. Events after the reporting period

Subsequent to the period end, between February and April 2021, the Company has issued 15,880,000 fully paid ordinary shares at an issue price of $0.0625 per share, raising a total of $992,500 (before transaction costs) under the Seed Capital Raise. A further 440,000 fully paid ordinary shares at $0.0625 per share were also issued to settle liabilities amounting to $27,500 to a director on 9 February 2021.

Subsequent to the period end, the Company has incorporated three (3) subsidiaries as follows;

- Eyre Resources Pty Ltd, incorporated on 11 February 2021,
- TAS Exploration Pty Ltd, incorporated on 12 February 2021 and;
- Madeleine Exploration Pty Limited, incorporated on 10 March 2021.

On 25 February 2021, the Company entered into a tenement sale agreement with Ardea Exploration Pty Ltd (a wholly owned subsidiary of Ardea Resources Limited (ASX: ARL)) (**Ardea**) under which it has agreed to acquire 100% of the Eyre project. The material terms of the tenement sale agreement are summarised below;

(a) **Acquisition:** The Company will acquire 100% interest in the tenements comprising the Eyre Project (being, E63/1827, E63/1974, E63/1929, E63/1976, E63/1995 (ELA) and E63/2008) (the **Bedonia Tenements**) from Ardea.

(b) **Conditions:** Settlement of the acquisition is subject to satisfaction or waiver of the following outstanding conditions precedent on or before 30 June 2021 (unless an earlier date is set out in respect of a condition below below):

- the Company raising at least $4 million (before costs) at an issue price of not less than $0.20 per Share.

- the receipt of all regulatory approvals (as required) in order to undertake the transaction contemplated by the agreement, including in-principal approval of the terms of the transaction from ASX; and

- the Company receiving a letter from ASX granting conditional approval for the admission of the Company to the Official List of ASX (on terms acceptable to the Company).

(c) **Consideration:** The consideration payable to Ardea for the acquisition at completion is as follows:
- the issue of 1,000,000 ordinary shares; and
- the grant of 1.5% net smelter return royalty payable on minerals extracted from the Bedonia Tenements.

(d) **Royalty**: At any time following completion, the Company may elect (at its sole election) to extinguish the royalty by making a payment of $2,000,000 in cash or Shares at the election of Ardea.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Note 15. Reconciliation of loss after income tax to net cash from operating activities

	From the date of incorporation to 31 December 2020 $
Loss after income tax expense for the period	(62,241)
Change in operating assets and liabilities:	
Increase in trade and other receivables	(4,017)
Increase in trade and other payable	66,258
Net cash from operating activities	-

Note 16. Earnings per share

	From the date of incorporation to 31 December 2020 $
Loss after income tax attributable to the owners of Larvotto Resources Limited	(62,241)
	Cents
Basic loss per share	(1.04)
Diluted loss per share	(1.04)
	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	6,000,003
Weighted average number of ordinary shares used in calculating diluted earnings per share	6,000,003

Accounting policy for earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the loss attributable to the owners of Larvotto Resources Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the financial period ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors

Ron Heeks

Ronald Heeks
Managing Director

17 May 2021

Nexia Australia

Independent Auditor's Report to the Members of Larvotto Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Larvotto Resources Limited (the Company'), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period 2 November 2020 (being the date of incorporation) to 31 December 2020, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(i) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the period then ended; and

(ii) complying with Australian Accounting Standards to the extent described in Note 2, and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 In Relation to Going Concern

Without modifying our audit conclusion, we draw attention to Note 2 to the financial report, which indicates that the Company will require further funding in the next twelve months from the audit sign off date, to fund its planned exploration and administration expenditure. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf
This description forms part of our auditor's report.

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.

NPAS

Nexia Perth Audit Services Pty Ltd

Muranda Janse Van Nieuwenhuizen
Director

Perth
17 May 2021