

Larvotto Resources Limited and controlled entities

ABN 16 645 596 238

Interim financial report for the half-year ended 30 June 2021

Larvotto Resources Limited
Corporate directory
30 June 2021

Directors	Mr Ronald Heeks - Managing Director and Chief Executive Officer Mr Mark Tomlinson - Non-Executive Director and Chair Ms Anna Nahajski-Staples - Non-Executive Director
Company secretary	Ms Suzanne Irwin
Registered office	136 Stirling Highway Nedlands WA 6009
Principal place of business	136 Stirling Highway Nedlands WA 6009
Auditor	Nexia Perth Audit Services Pty Ltd Level 3, 88 William Street Perth WA 6000
Website	https://www.larvottoresources.com/

Larvotto Resources Limited
Directors' report
30 June 2021

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity') consisting of Larvotto Resources Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2021.

Directors

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

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

Principal activities

Larvotto Resources Limited was established on 2 November 2020, to advance exploration and development projects in both Australia and overseas. The Company, via the Subsidiaries, has entered into agreements under which it has a right to acquire an interest in the following projects:

- The Eyre project comprising five granted exploration licences and one exploration licence application, located in Norseman in Western Australia (the Eyre Project) (100%, subject to completion occurring under the Eyre Acquisition);
- The Ohakuri project comprising one granted exploration permit located in Rotorua, New Zealand (the Ohakuri Project) (up to 75%, subject to commencement of the joint venture under the Ohakuri Acquisition); and
- The Mt Isa Copper project comprising eleven granted exploration permits located in the Mt Isa region in Queensland (Mt Isa Copper Project) (100% subject to completion occurring the Highlands Acquisition and Isa Valley Acquisition).

Dividends

There were no dividends paid or declared during the half-year ended 30 June 2021.

Review of operations

The loss after providing for income tax, for half-year ended 30 June 2021, for the Consolidated Entity amounted to \$818,933.

As at 30 June 2021, the net assets of the Consolidated Entity were \$121,076 (31 December 2020: net liabilities of \$56,241). The Consolidated Entity had cash outflows from operating activities for the half-year ended 30 June 2021 of \$689,708 and net cash inflows from the proceeds from share capital of \$844,750 (before costs).

The loss for the half-year ended 30 June 2021 is consistent with the principal activities of the Company with no revenue-generating activities.

Significant changes in the state of affairs

On 9 February 2021, the Company issued 440,000 fully paid ordinary shares of the Company at an issue price consistent with the seed raise price of \$0.0625 per share, totalling \$27,500, to settle liabilities owed to a director.

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 Ltd, incorporated on 10 March 2021.

Between February 2021 and April 2021, the Company issued 15,880,000 fully paid ordinary shares under the seed capital raise of the Company at an issue price of \$0.0625 per share to raise a total of \$992,500 before transaction costs. Advances of \$130,000 related to this capital raise had been received as at 31 December 2020 and was recorded as advances for share capital as at that date.

Matters subsequent to the end of the half-year ended 30 June 2021

No matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Larvotto Resources Limited
Directors' report
30 June 2021

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.

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

A handwritten signature in blue ink, appearing to read 'Ron Heeks', is positioned above a horizontal line.

Ronald Heeks
Managing Director

8 October 2021

Larvotto Resources Limited

Contents

30 June 2021

Consolidated statement of profit or loss and other comprehensive income	6
Consolidated statement of financial position	7
Consolidated statement of changes in equity	8
Consolidated statement of cash flows	9
Notes to the consolidated financial statements	10
Directors' declaration	17
Independent auditor's review report to the members of Larvotto Resources Limited	18

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

To the Directors of Larvotto Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 30 June 2021 there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

Yours sincerely



Nexia Perth Audit Services Pty Ltd



Muranda Janse Van Nieuwenhuizen

Director

8 October 2021

Larvotto Resources Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2021

	Note	30 June 2021
		\$
Expenses		
Administration and corporate costs	4	(713,413)
Exploration expenses	5	(105,520)
Total expenses		<u>(818,933)</u>
Loss before income tax expense		(818,933)
Income tax expense		<u>-</u>
Loss after income tax expense for the half-year attributable to the owners of Larvotto Resources Limited		(818,933)
Other comprehensive income for the half-year, net of tax		<u>-</u>
Total comprehensive loss for the half-year attributable to the owners of Larvotto Resources Limited		<u><u>(818,933)</u></u>
		Cents
Basic loss per share	13	(4.46)
Diluted loss per share	13	(4.46)

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

Larvotto Resources Limited
Consolidated statement of financial position
As at 30 June 2021

	Note	30 June 2021 \$	31 December 2020 \$
Assets			
Current assets			
Cash and cash equivalents		265,119	130,000
Trade and other receivables		40,479	10,017
Total current assets		<u>305,598</u>	<u>140,017</u>
Non-current assets			
Furniture and computer equipment		17,415	-
Total non-current assets		<u>17,415</u>	<u>-</u>
Total assets		<u>323,013</u>	<u>140,017</u>
Liabilities			
Current liabilities			
Trade and other payable	6	201,937	66,258
Advances for share capital		-	130,000
Total current liabilities		<u>201,937</u>	<u>196,258</u>
Total liabilities		<u>201,937</u>	<u>196,258</u>
Net assets/(liabilities)		<u>121,076</u>	<u>(56,241)</u>
Equity			
Issued capital	7	1,002,250	6,000
Accumulated losses		<u>(881,174)</u>	<u>(62,241)</u>
Total equity/(deficiency)		<u>121,076</u>	<u>(56,241)</u>

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

Larvotto Resources Limited
Consolidated statement of changes in equity
For the half-year ended 30 June 2021

	Contributed equity \$	Retained profits \$	Total equity \$
Balance at 1 January 2021	6,000	(62,241)	(56,241)
Loss after income tax expense for the half-year	-	(818,933)	(818,933)
Other comprehensive income for the half-year, net of tax	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the half-year	-	(818,933)	(818,933)
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs (note 7)	996,250	-	996,250
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2021	<u>1,002,250</u>	<u>(881,174)</u>	<u>121,076</u>

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

Larvotto Resources Limited
Consolidated statement of cash flows
For the half-year ended 30 June 2021

	Note	30 June 2021
		\$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)		<u>(689,708)</u>
Net cash used in operating activities	12	<u>(689,708)</u>
Cash flows from investing activities		
Payments for computer equipment		<u>(19,923)</u>
Net cash used in investing activities		<u>(19,923)</u>
Cash flows from financing activities		
Proceeds from share issues	7	868,500
Share issue transaction costs	7	<u>(23,750)</u>
Net cash from financing activities		<u>844,750</u>
Net increase in cash and cash equivalents		135,119
Cash and cash equivalents at the beginning of the financial half-year		<u>130,000</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>265,119</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Larvotto Resources Limited
Notes to the consolidated financial statements
30 June 2021

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:

136 Stirling Highway
Nedlands
WA 6009

A description of the nature of the Consolidated Entity'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 8 October 2021.

Note 2. Significant accounting policies

These consolidated general purpose financial statements for the half-year reporting period ended 30 June 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These consolidated general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these consolidated financial statements are to be read in conjunction with the annual report for the period ended 31 December 2020.

The principal accounting policies adopted are consistent with those of the previous financial period and corresponding interim reporting period, unless otherwise stated*.

**The Company was incorporated on 2 November 2020 hence there was no corresponding interim reporting period to report.*

New or amended Accounting Standards and Interpretations adopted

The Consolidated Entity 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.

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 consolidated interim 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 half-year ended 30 June 2021, the Consolidated Entity recorded a net loss of \$818,933 and at 30 June 2021 reported a net working capital surplus of \$103,661 (31 December 2020: net liabilities \$56,241). The Consolidated Entity reported cash balances of \$265,119 (31 December 2020: \$130,000). During the half-year ended 30 June 2021, 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 Consolidated Entity's cash flow forecast and agreements entered during the half-year ended 30 June 2021, the Consolidated Entity 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 in the process of preparing for an Initial Public Offering (IPO) on the Australian Securities Exchange (ASX). The Company is currently in the process of preparing the offer document (Prospectus) and expects to lodge the prospectus for an IPO with ASIC in the Q4 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 the COVID-19 pandemic may affect the stock markets and may in turn have a negative impact on any fund raising. However, in the event 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 consolidated interim 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 consolidated interim 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.

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. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Consolidated Entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Consolidated Entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Consolidated Entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Larvotto Resources Limited
Notes to the consolidated financial statements
30 June 2021

Note 4. Administration and corporate costs

	30 June 2021	30 June 2020
	\$	\$
Employment expenses	166,945	-
Corporate expenses	182,954	-
General expenses	39,772	-
Occupancy and outgoing	5,660	-
Capital structuring costs	318,082	-
	<u>713,413</u>	<u>-</u>

Note 5. Exploration expenses

	30 June 2021	30 June 2020
	\$	\$
Exploration expenses - Highlands project	45,564	-
Exploration expenses - Eyre project	26,568	-
Exploration expenses - Ohakuri project	33,388	-
	<u>105,520</u>	<u>-</u>

Note 6. Current liabilities - Trade and other payable

	30 June 2021	31 December 2020
	\$	\$
Trade payables	130,274	44,183
Other payables	7,824	-
Accrued expenses	63,839	22,075
	<u>201,937</u>	<u>66,258</u>

Note 7. Equity - Issued capital

	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>22,320,003</u>	<u>6,000,003</u>	<u>1,002,250</u>	<u>6,000</u>

During the half-year ended 30 June 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.

Larvotto Resources Limited
Notes to the consolidated financial statements
30 June 2021

Note 7. Equity - Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 January 2021	6,000,003	\$0.0010	6,000
Shares issued	9 February 2021	14,480,000	\$0.0625	905,000
Shares issued	1 March 2021	800,000	\$0.0625	50,000
Shares issued	16 March 2021	400,000	\$0.0625	25,000
Shares issued	1 April 2021	640,000	\$0.0625	40,000
Capital raising costs		-	-	(23,750)
Balance	30 June 2021	<u>22,320,003</u>		<u>1,002,250</u>

Ordinary shares

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

Note 8. Equity - Dividends

There were no dividends paid or declared during the half-year ended 30 June 2021.

Note 9. Commitments

9.1 Highlands Acquisition Agreement

On 3 June 2021, 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 Northwest Queensland. Subject to conditions precedent, the Company is required to make following considerations in respect of the acquisition;

- At Completion the Company is required to make a cash payment of A\$100,000 (+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 as shares granted.
- 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).

Tenement	Tenement expiry date	Annual rent \$	Minimum Expenditure* \$
EPM 14281	06/07/2023	2,968	-
EPM 16197**	02/11/2026	989	-
EPM 17638	11/06/2023	2,803	-
EPM 17914	10/09/2023	1,649	-
EPM 17947**	26/09/2026	825	-
EPM 18492	11/06/2023	6,761	-
EPM 19733**	26/06/2026	16,490	-
		<u>32,485</u>	<u>-</u>

Note 9. Commitments (continued)

- * Annual expenditure commitments coincide with the renewal date for each tenement. The Highlands Project have "Group Project" status, where the expenditure may not be required to be met for each individual tenement, but collectively across the group. Minotaur fulfilled the minimum expense commitment until the end of 2021. At the date of this report no further exploration commitments were agreed in relation to the future periods.
- ** Based on renewal applications accepted, and yet to be published by the Department of Natural Resources, Mines and Energy.

9.2 Eyre Acquisition Agreement

On 25 February 2021, the Company, through its wholly owned subsidiary Eyre Resources Pty Ltd, entered into a tenement sale agreement with Ardea Exploration Pty Ltd (a wholly owned subsidiary of Ardea Resources Limited (ASX:ARL)) under which the Consolidated Entity has agreed to acquire the tenements comprising the Eyre Project from Ardea for \$200,000 by way of issuing Ordinary Shares (at a deemed price per Share equal to the price at which Shares are offered under the IPO) and a 1.5% Net Smelter Royalty (NSR) on production from the project, subject to condition precedent. The Consolidated Entity's additional commitments in relation to the Eyre Project are summarised below:

Tenement	Tenement expiry date	Annual rent	Minimum Expenditure**
		\$	\$
E63/1827	11/10/2022	13,886	79,500
E63/1929	28/07/2024	4,234	29,000
E63/1974	06/02/2025	292	15,000
E63/1976	20/02/2025	1,752	20,000
E63/2008	26/10/2025	6,570	45,000
		<u>26,734</u>	<u>188,500</u>

- * Application for tenement E63/1995 is currently in progress at the date of this report
- ** Annual expenditure commitments coincide with the renewal date for each tenement. Subject to exemptions and variations from expenditure commitments applied under section 102 of the Mining Act.

9.3 Ohakuri Joint Venture Agreement

On 28 May 2021, the Company, its wholly owned subsidiary Madeleine Exploration Pty Ltd entered into a binding joint venture agreement (which was subsequently varied) with Zedex Gold Limited (Zedex) in respect of the acquisition by Madeleine of up to a 75% interest in the Ohakuri Project (**Ohakuri JVA**), in New Zealand's north island. Subject to conditions precedent, the Company is required to make following considerations in respect of the acquisition;

- (a) payment of \$175,000 in cash to Zedex (Initial Cash Consideration);
- (b) subject to completion of the Public Offer, the grant of 3,750,000 performance rights to Zedex (Class A Performance Rights), which vest upon the announcement of a JORC compliant Indicated Resource of at least 500,000 ounces of gold at the Ohakuri Project at a 0.5g/t cut-off within 5 years of issue of the performance rights (Class A Milestone);
- (c) subject to completion of the Public Offer, the grant of 1,332,000 performance rights to Zedex (Class B Performance Rights), which vest upon the announcement of a JORC complaint Indicated Resource of at least 1,000,000 ounces of gold at the Ohakuri Project at a 0.5g/t cut-off within 5 years of issue of the performance rights (Class B Milestone);
- (d) Zedex receiving shareholder approval for the sale of its interest in the Ohakuri Tenement; and
- (e) \$733,600 in cash (Deferred Cash Consideration) upon the announcement of a JORC complaint Indicated Resource of at least 1,000,000 oz of gold at the Ohakuri Project at a 0.5g/t cut-off within 5 years of issue of the performance rights subject to ASX approval.

Note 9. Commitments (continued)

9.4 Isa Valley Acquisition Agreement

On 17 June 2021, the Company, its wholly owned subsidiary TAS Exploration Pty Ltd entered into a tenement sale agreement with Rio Tinto Exploration, pursuant to which TAS has agreed to conditionally acquire 100% of the legal and beneficial interest in the tenements comprising the Isa Valley Project located in Queensland (**Isa Valley Acquisition Agreement**).

The Consolidated Entity's additional commitments in relation to Isa Valley Acquisition Agreement are summarised below:

Tenement	Tenement expiry date	Annual rent	Minimum
		\$	Expenditure*
EPM 26510	25/04/2023	2,803	390,000
EPM 26538	22/04/2023	3,463	390,000
EPM 26798	13/05/2024	4,617	120,000
EPM 27023	10/04/2024	2,474	170,000
		<u>13,357</u>	<u>1,070,000</u>

* Annual expenditure commitments coincide with the renewal date for each tenement.

Note 10. Interests in subsidiaries

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the Consolidated Entity are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2021	31 December 2020
		%	%
Eyre Resources Pty Ltd	Australia	100.00%	-
Madeleine Exploration Pty Ltd	New Zealand	100.00%	-
TAS Exploration Pty Ltd	Australia	100.00%	-

Note 11. Events after the half-year ended 30 June 2021

No matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Note 12. Reconciliation of loss after income tax to net cash used in operating activities

	30 June 2021	30 June 2020
	\$	\$
Loss after income tax expense for the half-year	(818,933)	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(30,462)	-
Increase in trade and other payable	159,687	-
Net cash used in operating activities	<u>(689,708)</u>	<u>-</u>

Larvotto Resources Limited
Notes to the consolidated financial statements
30 June 2021

Note 13. Earnings per share

	30 June 2021	30 June 2020
	\$	\$
Loss after income tax attributable to the owners of Larvotto Resources Limited	<u>(818,933)</u>	<u>-</u>
	Cents	Cents
Basic loss per share	(4.46)	-
Diluted loss per share	(4.46)	-
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>18,367,296</u>	<u>-</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>18,367,296</u>	<u>-</u>

Larvotto Resources Limited
Directors' declaration
30 June 2021

In the Directors' opinion:

- the attached consolidated financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached consolidated financial statements and notes give a true and fair view of the Consolidated Entity 's financial position as at 30 June 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Consolidated Entity 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 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Ronald Heeks
Managing Director

8 October 2021

Independent Auditor's Review Report to the members of Larvotto Resources Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying interim financial report of Larvotto Resources Limited (the "Company") and its controlled entities (the "Consolidated Entity"), which comprises the condensed consolidated statement of financial position as at 30 June 2021, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the period ended on that date, notes comprising a summary of accounting policies, selected other explanatory notes and the directors' declaration of the Consolidated Entity comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year period.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Larvotto Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Half year Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the Auditor's Responsibilities for the Review 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 annual 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 review report.

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 review report.

Material Uncertainty Related to Going Concern

Without modifying our review conclusion, we draw attention to Note 2 to the financial report, which indicates that the Consolidated Entity will require further funding in the next twelve months from the review 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 Consolidated Entity's ability to continue as a going concern and therefore the Consolidated Entity may be unable to realize its assets and discharge its liabilities in the normal course of business. Our review conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Interim Financial Report

The directors of the Company are responsible for the preparation of the interim 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 interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Half year Financial Reporting* and the *Corporations Regulations 2001*.

A review of an interim 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.



Nexia Perth Audit Services Pty Ltd



Muranda Janse Van Nieuwenhuizen
Director

Perth
8 October 2021