Richmond Vanadium Technology Pty Ltd

ABN: 63 617 799 738

Financial report

For the year ended 30 June 2022

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RICHMOND VANADIUM TECHNOLOGY PTY LTD
ABN: 63 617 799 738

DIRECTORS' REPORT

The directors present their report together with the financial report of Richmond Vanadium Technology Pty Ltd, “the Company", for the year ended 30 June 2022 and auditor's report thereon.

Directors names

The names of the directors in office at any time during or since the end of the year are:

Shuang (Shaun) REN Appointed on 07/02/2022

Brendon GRYLLS Appointed on 01/04/2022

Jon PRICE Appointed on 14/06/2022

Mingfeng (Richard) GU Retired on 09/02/2022

Guangping HE Retired on 07/02/2022

Xiang (Shawn) LIN Retired on 07/02/2022

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

New accounting standards implemented

The Company has implemented one new Accounting Standard that is applicable for the current reporting period.

AASB 1060: *General Purpose Financial Statements- Simplified Disclosures For-Profit and Not-for-Profit Tier 2 Entities* has been applied in the current year, resulting in a change in diclosure form and content when compared to the financial statements presented for the year ended 30 June 2021.

Results

The loss of the Company for the year after providing for income tax amounted to $467,583 (2021: $474,976).

Review of operations

The Company continued to engage in its principal activity of mineral exploration and development with a particluar focus on the vanadium resources, the results of which are disclosed in the attached financial statements.

Significant changes in state of affairs

There were no significant changes in the Company's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

RICHMOND VANADIUM TECHNOLOGY PTY LTD
ABN: 63 617 799 738

DIRECTORS' REPORT

Principal activities

The principal activity of the Company during the year was mineral exploration and development with a particular focus on the vanadium resources.

No significant change in the nature of these activities occurred during the year.

After balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years, other than the following:

On 9 August 2022, RVT announced that it had signed a Binding Term Sheet to invest between $3m and $5m into Ultra Power Systems Pty Ltd ("UPS") a local battery manufacturer of Vanadium Redox Flow Batteries ("VRFB"). The investment is subject to RVT’s successful listing on the ASX and raising $25m for a $3m investment or raising $35m for up to a $5m investment. The investment provides a strategic partnership with UPS which includes the appointment of one RVT representative director. The Binding Term Sheet is also subject to the completion of satisfactory due diligence by RVT and gives RVT the first right of refusal on all vanadium offtake from UPS and based on the best commercial and technical offer for V205 flake.

Likely developments

The Company expects to maintain the present status and level of operations.

Environmental regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Indemnification of officers

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an officer of the Company.

Indemnification of auditors

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an auditor of the Company.

Auditor's independence declaration

A copy of the auditor's independence declaration under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

Proceedings on behalf of the Company

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

DIRECTORS' REPORT

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

Director: ______________________________

Shuang (Shaun) REN

Director: ______________________________

Brendon GRYLLS

Dated this 7 day of September 2022

PITCHER PARTNERS

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF RICHMOND VANADIUM TECHNOLOGY PTY LTD

In relation to the independent audit for the year ended 30 June 2022, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Richmond Vanadium Technology Pty Ltd.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD

PAUL MULLIGAN
Executive Director
Perth, 7 September 2022

RICHMOND VANADIUM TECHNOLOGY PTY LTD
ABN: 63 617 799 738

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 $	2021 $
Revenue and other income			
Other revenue	3	114	50,124
Other income	3	406,318	15,623
		406,432	65,747
Less: expenses			
Depreciation and amortisation expense		(5,070)	(10,863)
Employee benefits expense		(430,819)	(303,359)
Occupancy expense		(37,050)	(36,000)
Legal Expense		(181,711)	(75,082)
Other expenses		(219,365)	(115,419)
		(874,015)	(540,723)
Loss before income tax expense		(467,583)	(474,976)
Income tax expense		-	-
Net Loss after income tax expense		(467,583)	(474,976)
Other comprehensive income for the year		-	-
Total comprehensive (loss)		(467,583)	(474,976)

The accompanying notes form part of these financial statements.

RICHMOND VANADIUM TECHNOLOGY PTY LTD
ABN: 63 617 799 738

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 $	2021 $
Current assets			
Cash and cash equivalents	6	1,051,358	274,152
Receivables	7	597,252	57,099
Other assets	9	32,336	3,011
Total current assets		1,680,946	334,262
Non-current assets			
Property, plant and equipment	8	97,083	129,668
Exploration and evaluation	9	26,069,037	4,335,618
Total non-current assets		26,166,120	4,465,286
Total assets		27,847,066	4,799,548
Current liabilities			
Payables	10	1,375,293	28,920
Provisions	11	128,239	13,750
Total current liabilities		1,503,532	42,670
Non-current liabilities			
Provisions	11	22,671	-
Total non-current liabilities		22,671	-
Total liabilities		1,526,203	42,670
Net assets		26,320,863	4,756,878
Equity			
Share capital	12	28,658,954	6,627,386
Accumulated losses	13	(2,338,091)	(1,870,508)
Total equity		26,320,863	4,756,878

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Note	Share capital	Accumulated losses	Total equity
		$	$	$
Balance as at 1 July 2020		5,339,334	(1,395,532)	3,943,802
(Loss) for the year		-	(474,976)	(474,976)
Total comprehensive (loss) for the year		-	(474,976)	(474,976)
Transactions with owners in their capacity as owners:				
Contributions		1,288,052	-	1,288,052
Total transactions with owners in their capacity as owners		1,288,052	-	1,288,052
Balance as at 1 July 2021		6,627,386	(1,870,508)	4,756,878
(Loss) for the year		-	(467,583)	(467,583)
Total comprehensive (loss) for the year		-	(467,583)	(467,583)
Transactions with owners in their capacity as owners:				
Share issues, net of costs	12	22,031,568	-	22,031,568
Total transactions with owners in their capacity as owners		22,031,568	-	22,031,568
Balance as at 30 June 2022		28,658,954	(2,338,091)	26,320,863

RICHMOND VANADIUM TECHNOLOGY PTY LTD
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 $	2021 $
Cash flow from operating activities			
Receipts from customers		19,975	146,749
Operating grant receipts		-	50,000
Payments to suppliers and employees		(547,878)	(694,029)
Expenditure on mineral interests		(645,066)	(811,742)
Net cash (used in) operating activities		(1,172,969)	(1,309,022)
Cash flow from financing activities			
Proceeds from share issue		2,000,600	1,512,395
Payments for cost of raising		(50,425)	-
Net cash provided by financing activities		1,950,175	1,512,395
Cash at beginning of the financial year		274,152	70,779
Net increase in cash held		777,206	203,373
Cash at end of financial year	14(a)	1,051,358	274,152

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards - Simplified Disclosures. This includes compliance with the recognition and measurement requirements of all Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the disclosure requirements of AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

This financial report is the first financial report of the Company prepared in accordance with Australian Accounting Standards - Simplified Disclosures. The prior year financial report was a special purpose financial report that was prepared in accordance with the recognition and measurement requirements of all Australian Accounting Standards and the disclosure requirements of some, but not all, Australian Accounting Standards. The transition from the previous financial reporting framework to Australian Accounting Standards - Simplified Disclosures has not affected the Company’s reported financial position, financial performance and cash flows.

The financial report covers Richmond Vanadium Technology Pty Ltd as an individual entity. Richmond Vanadium Technology Pty Ltd is a Company limited by shares, incorporated and domiciled in Australia. Richmond Vanadium Technology Pty Ltd is a for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the directors' report.

The following are the significant accounting policies adopted by the Company in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

Significant accounting estimates and judgements

The preparation of the financial report requires the use of certain estimates and judgements in applying the Company's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2 to the financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) New and revised accounting standards effective at 30 June 2022

AASB 2018-7: Amendments to Australian Accounting Standards - Definition of Material

AASB 2018-7 principally amends AASB 101: *Presentation of Financial Statements* and AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.

AASB 2019-1: Amendments to Australian Accounting Standards - References to the Conceptual Framework

AASB 2019-1 amends Australian Accounting Standards (AAS), Interpretations and other pronouncements to reflect the issue of the Conceptual Framework for Financial Reporting (Conceptual Framework). The application of the Conceptual Framework is at present limited to:

(a) for-profit private sector entities that have public accountability and are required by legislation to comply with AAS; and

(b) other for-profit entities that voluntarily elect to apply the Conceptual Framework which would permit compliance with AAS (Tier 1) and IFRS.

This Standard makes amendments to AAS, Interpretations and other pronouncements to permit other entities to continue using the Framework for the Preparation and Presentation of Financial Statements adopted by the AASB in 2004 (Framework) and Statement of Accounting Concepts SAC 1 Definition of the Reporting Entity to determine whether they are a reporting entity that needs to prepare general purpose financial statements that comply with AAS.

AASB 2019-5: Amendments to Australian Accounting Standards - Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia

AASB 2019-5 makes amendments to AASB 1054: *Australian Additional Disclosures* by adding a disclosure requirement for an entity intending to comply with IFRS Standards to disclose the information required by paragraph 30 of AASB 108 (regarding disclosing the effect of new standards not yet issued) to IFRS Standards that have not yet been issued by the Australian Accounting Standards Board.

AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The Company has adopted AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* for the first time this reporting period. The Standard, which sets out a new, separate disclosure standard to be applied by all entities that are reporting under Tier 2 of the Differential Reporting Framework in AASB 1053: *Application of Tiers of Australian Accounting*, replaces the previous Reduced Disclosure Requirements (RDR) framework. The application of this standard has resulted in reductions in disclosures compared to RDR in Revenue, Leases and Financial Instruments; however has resulted in new and/or increased disclosures in areas such as Audit Fees and Related Parties.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(d) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(e) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

(ii) Long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. For currencies in which there is no deep market in such high quality corporate bonds, the market yields (at the end of the reporting period) on government bonds denominated in that currency are used. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments

Initial recognition and measurement

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

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Classification of financial assets

Financial assets recognised by the Company are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the Company irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

(a) the Company's business model for managing the financial assets; and

(b) the contractual cash flow characteristics of the financial asset.

Classification of financial liabilities

Financial liabilities classified as held-for-trading, contingent consideration payable by the Company for the acquisition of a business, and financial liabilities designated at FVtPL, are subsequently measured at fair value.

All other financial liabilities recognised by the Company are subsequently measured at amortised cost.

Trade and other receivables

Trade and other receivables arise from the Company's transactions with its customers and are normally settled within 30 days.

Consistent with both the Company's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

(g) Going concern

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Going concern (continued)

The Company incurred a loss from ordinary activities of $467,583 during the year ended 30 June 2022 (2021: $474,976) and has a cash balance of $1,051,358 at balance date (2021: $274,152).

The Company is dependent on the ongoing financial support of its related entities, Prestige Mind Holdings Ltd and Splendid Horizon Ltd(the "Related entities") at 30 June 2022. The Company has received confirmation from the related entities that it will continue to provide financial support to the Company so as to enable it to be able to pay all its liabilities and commitments as and when they fall due in the next 12 months from the date of approval of the financial report, and to continue to operate on a going concern basis.

Should the Company not achieve the matters set out above there is a material uncertainty that may cast significant doubt as to whether the Company will 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 report does not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

(h) Exploration expenditure

Exploration and evaluation expenditure, including the costs of acquiring the licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Company has obtained the legal rights to explore an area are recognised in the profit or loss.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

1. the expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or

2. activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Exploration expenditure(continued)

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made.

(i) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(j) Government grants

Government grants are recognised when there is reasonable certainty that the grant will be received and all grant conditions are met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to depreciable assets are credited to deferred income and are recognised in profit or loss over the period and in the proportions in which depreciation expense on those assets is recognised.

Government grants include amounts received or receivable under the Federal Government's JobKeeper Payment Scheme and Cash Flow Boost Scheme, which provide temporary subsidies to eligible businesses significantly affected by coronavirus (Covid-19).

(k) Income tax

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not recognised if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

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.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(l) Leases

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the Company recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Leases (continued)

Lease assets

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the Company, and an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Company's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

(m) Other revenue and other income

Interest

Interest revenue is measured in accordance with the effective interest method.

All revenue is measured net of the amount of goods and services tax (GST).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Property, plant and equipment

All property, plant and equipment except for freehold land and buildings are initially measured at cost and are depreciated over their useful lives on a diminishing value basis. Depreciation commences from the time the asset is available for its intended use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The useful lives used for each class of depreciable assets are as follows:

Class of Asset	Depreciation rates	Depreciation basis
Plant and equipment	25%	Diminishing value

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount. Freehold land and buildings are carried at their recoverable amounts, based on periodic, but at least triennial, valuations by the directors. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amount.

(o) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the nominal amounts expected to be paid when the liability is settled, plus any related on-costs. Both annual leave and long service leave are recognised within the provisions liability.

(p) Interests in joint arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about the relevant activities are required. Joint arrangements are classified as either joint operations or joint ventures based on the rights and obligations of the parties to the arrangement.

Joint operations

The Company's share of the assets, liabilities, revenues and expenses of joint operations are included in the respective items of the statement of profit or loss and other comprehensive income and the statement of financial position.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
(p) Interests in joint arrangements (continued)

In circumstances where the Company acquires an interest in a joint operation whose activities constitute a business, as defined in AASB 3: Business Combinations, the Company accounts for the acquisition in accordance with the principles in AASB 3, including:

- except for some limited exceptions, measuring all identifiable assets and liabilities of the joint operation at fair value;
- recognising any goodwill or gain on bargain purchase arising from the acquisition; and
- expensing any acquisition-related costs when incurred.

Joint ventures

The Company's interest in joint ventures are accounted for using the equity method after initially being recognised at cost. Under the equity method, the Company's share of the profits or losses of the joint venture are recognised in the Company's profit or loss and the Company's share of the joint venture's other comprehensive income is recognised in the Company's other comprehensive income.

Unrealised gains and losses on transactions between the Company and a joint venture are eliminated to the extent of the Company's interest in the joint venture.

(q) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period. They are recognised at their transaction price. Trade and other payables are subject to normal credit terms (30–60 days) and do not bear interest.

NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Impairment of non-financial assets other than goodwill

At the end of each reporting period, property, plant and equipment, intangible assets and investments are reviewed to determine whether there is any indication that those assets have suffered an impairment loss.

NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

*If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of r*elated assets) is estimated and compared with its carrying amount. The recoverable amount is the higher of the asset's fair value less costs of disposal and the present value of the asset's future cash flows discounted at the expected rate of return. If the estimated recoverable amount is lower, the carrying amount is reduced to the estimated recoverable amount and an impairment loss is recognised immediately in profit or loss.

(b) Income tax

Deferred tax assets and liabilities are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

NOTE 3: OTHER REVENUE AND OTHER INCOME	**2022 $**	**2021 $**
Other revenue		
Interest income	114	124
Government subsidies and support revenue	-	50,000
	114	50,124
Other income	406,318	15,623

Other income mainly consists of the working capital adjustment on the Sale and Purchase Agreement entered between the Company and Horizon Minerals Limited.

NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION

Compensation received by key management personnel of the company		
- short-term employee benefits	419,508	356,645
- post-employment benefits	2,000	-
	421,508	356,645

The names of directors who have held office during the year are:

Name	**Appointment / resignation details**
Shuang (Shaun) REN	Appointed on 07/02/2022
Brendon GRYLLS	Appointed on 01/04/2022
Jon PRICE	Appointed on 14/06/2022
Mingfeng (Richard) GU	Retired on 09/02/2022
Guangping HE	Retired on 07/02/2022
Xiang (Shawn) LIN	Retired on 07/02/2022

	2022	2021
	$	$

NOTE 5: INCOME TAX

(a) Components of tax expense

(b) Income tax reconciliation

	2022 $	2021 $
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:		
Prima facie income tax payable on profit before income tax at 30.0% (2021: 30.0%)	(140,275)	(142,493)
Add tax effect of:		
Entertainment	481	1,735
Penalties and fines	153	-
Deferred tax asset not recognised	139,641	159,883
	140,275	161,618
Less tax effect of:		
Other income	-	19,125
	-	19,125
Income tax expense attributable to profit	-	-

(c) Deferred tax

Deferred tax relates to the following:

	2022 $	2021 $
The balance comprises:		
Accruals	29,436	23,045
Provisions	34,938	-
Capital raising costs	14,507	-
Business related costs	18,953	-
Offset against deferred tax liability not recognised	(2,311,488)	(1,861,628)
Tax Losses	2,213,654	1,838,583
The balance comprises:		
Prepayments	(940)	-
Exploration expenditure	(1,501,433)	(1,206,019)
Offset against deferred tax asset not recognised	1,502,373	1,206,019
Net deferred tax liabilities	-	-

(d) Deferred income tax (revenue)/expense included in income tax expense comprises

	2022 $	2021 $
Decrease / (increase) in deferred tax assets	(449,860)	(321,101)
(Decrease) / increase in deferred tax liabilities	296,353	-
Offset against deferred tax asset not recognised	153,507	321,101
	-	-

	2022 $	2021 $
NOTE 5: INCOME TAX (continued)		
(e) Deferred income tax related to items charged or credited directly to equity		
Decrease / (increase) in deferred tax assets	16,712	-
Offset against deferred tax asset not recognised	(16,712)	-
	-	-
(f) Deferred tax assets not brought to account		
Temporary differences	(1,404,540)	(1,182,974)
Operating tax losses	2,213,654	1,838,583

NOTE 6: CASH AND CASH EQUIVALENTS

	2022 $	2021 $
Cash on hand	103	1,157
Cash at bank	1,051,255	272,995
	1,051,358	274,152

NOTE 7: RECEIVABLES

	2022 $	2021 $
CURRENT		
Receivable from related party	555,922	-
Other receivables		
- Cash advance	2,398	927
- GST Input Credits	12,900	12,900
- Deposits and bonds	26,032	43,272
	41,330	57,099
	597,252	57,099

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	2022 $	2021 $
Land and buildings		
At cost	97,083	97,083
Plant and equipment		
Motor vehicles at cost	-	61,793
Accumulated depreciation	-	(29,208)
	-	32,585
Total property, plant and equipment	97,083	129,668

	2022 $	2021 $

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year

	2022 $	2021 $
Land and buildings		
Opening carrying amount	97,083	97,083
Closing carrying amount	97,083	97,083
Motor vehicles		
Opening carrying amount	32,585	61,793
Disposals	(32,585)	-
Depreciation expense	-	(29,208)
Closing carrying amount	-	32,585

NOTE 9: OTHER ASSETS

	2022 $	2021 $
CURRENT		
Prepayments	32,336	3,011
NON CURRENT		
Exploration and evaluation expenditure		
Exploration and evaluation assets	26,069,037	4,335,618
Reconciliations of exploration and evaluation assets		
Carrying amount at beginning of the year	4,335,618	3,523,876
Expenditure incurred during the year	655,769	811,742
Value attributed to the acquisition of the additional interest in the Julia Creek Vanadium Project *	19,950,000	-
Stamp duty on acquisitions	1,127,650	-
Carrying amount at end of the year	26,069,037	4,335,618

*During the financial year, a Sale and Purchase Agreement ("SPA") has been executed by the Company and Horizon Minerals Limited ("Horizon") and a Shareholders Agreement has come into effect in which the Company's interest in the Julia Creek Vanadium Project has increased from 75% to 100%. Consideration for the additional interest was the issue of 39,833,333 fully paid shares valued at $19,950,000 (see Note 12(a)).

NOTE 10: PAYABLES

	2022 $	2021 $
CURRENT		
Unsecured liabilities		
Trade creditors	183,974	26,811
Sundry creditors and accruals	63,669	2,109
Accrued stamp duty	1,127,650	-
	1,375,293	28,920

NOTE 11: PROVISIONS

	2022	2021
CURRENT		
Employee benefits	93,789	-
Other	34,450	13,750
	128,239	13,750
NON CURRENT		
Employee benefits	22,671	-

NOTE 12: SHARE CAPITAL

Issued and paid-up capital	28,658,954	6,627,386

	2022		2021	
	Number	$	Number	$
(a) Ordinary shares				
Opening balance	31,500,000	6,627,386	28,725,203	5,339,334
Shares issued:				
1 August 2021- capital raised	-	131,393	-	-
6 December 2021- shares issued(cash)	8,333,333	2,000,600	-	-
9 March 2022- shares split 3 for 1	79,666,666	-	-	-
14 June 2022- shares issued for the acquisition of the additional interest in the Julia Creek Vanadium Project (Note 9)	39,833,333	19,950,000	-	-
Various share issues	-	-	2,774,797	1,288,052
Transaction costs relating to shares issued, net of tax	-	(50,425)	-	-
	127,833,332	22,031,568	2,774,797	1,288,052
At reporting date	159,333,332	28,658,954	31,500,000	6,627,386

NOTE 12: SHARE CAPITAL (CONTINUED)

Rights of each type of share

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

At 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.

	2022 $	2021 $
NOTE 13: ACCUMULATED LOSSES		
Balance at beginning of year	(1,870,508)	(1,395,532)
Net (loss)	(467,583)	(474,976)
Balance at end of year	(2,338,091)	(1,870,508)

NOTE 14: CASH FLOW INFORMATION

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2022	2021
Cash on hand	103	1,157
Cash at bank	1,051,255	272,995
	1,051,358	274,152

NOTE 15: RELATED PARTY TRANSACTIONS

(a) Transactions with other related parties

	2022	2021
Trade and other receivables*	555,922	-

*Richmond Vanadium Technology (RVT) owns 100% of the 1.8Bt Richmond Vanadium Project (Project), located approximately 45km north-west of Richmond in north-west Queensland. RVT was previously a joint venture partner with ASX-listed Horizon Minerals Limited (Horizon) in relation to the Project, prior to the completion of a Sale and Purchase Agreement (SPA) with Horizon under which RVT acquired Horizon's interest in the joint venture including Horizon's 25% interest in the tenements comprising the Project. In consideration for this interest RVT issued Horizon 39,833,333 fully paid ordinary shares in RVT being an amount equal to 25% of the issued capital of RVT on a diluted basis. Completion of the acquisition occurred on 14 June 2022. As a result of this at 30th June 2022 the above $555,922 was receivable from Horizon.

NOTE 16: FINANCIAL RISK MANAGEMENT

	2022 $	2021 $
Financial assets		
Financial assets at amortised cost:		
- cash and cash equivalents	1,051,358	274,152
- trade and other receivables	597,252	57,099
Total financial assets measured at amortised cost	1,648,610	331,251
Financial liabilities		
Financial liabilities at amortised cost:		
- trade and other payables	1,375,293	28,920
Total financial liabilities measured at amortised cost	1,375,293	28,920

NOTE 17: AUDITOR'S REMUNERATION

-auditing of the financial statements	24,500	12,500
- taxation services	11,900	-
	36,400	12,500

NOTE 18: EVENTS SUBSEQUENT TO REPORTING DATE

On 9 August 2022, RVT announced that it had signed a Binding Term Sheet to invest between $3m and $5m into Ultra Power Systems Pty Ltd ("UPS") a local battery manufacturer of Vanadium Redox Flow Batteries ("VRFB"). The investment is subject to RVT's successful listing on the ASX and raising $25m for a $3m investment or raising $35m for up to a $5m investment. The investment provides a strategic partnership with UPS which includes the appointment of one RVT representative director. The Binding Term Sheet is also subject to the completion of satisfactory due diligence by RVT and gives RVT the first right of refusal on all vanadium offtake from UPS and based on the best commercial and technical offer for V205 flake.

NOTE 19: COMPANY DETAILS

The registered office of the Company is:

Richmond Vanadium Technology Pty Ltd
Lot 3 Malvern Road
Flinders Highway
QLD, 4822

The principal place of business is:

Richmond Vanadium Technology Pty Ltd
Unit 81 Level 11
251 Adelaide Terrace
PERTH WA 6000

RICHMOND VANADIUM TECHNOLOGY PTY LTD
ABN: 63 617 799 738

DIRECTORS' REPORT

The directors of the Company declare that:

1. In the directors opinion, the financial statements and notes thereto, as set out on pages 5 - 25, are in accordance with the *Corporations Act 2001*, including:

   (a) complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Regulations 2001*; and

   (b) giving a true and fair view of the financial position as at 30 June 2022 and performance for the year ended on that date of the Company.

2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director: ______________________________

Shuang (Shaun) REN

Director: ______________________________

Brendon GRYLLS

Dated this 7 day of September 2022

RICHMOND VANADUIM TECHNOLOGY PTY LTD
ABN 63 617 799 738

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RICHMOND VANADIUM TECHNOLOGY PTY LTD

Opinion

We have audited the financial report of Richmond Vanadium Technology Pty Ltd "the Company", which comprises the statement of financial position as at 30th June 2022, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and directors' declaration.

In our opinion, the accompanying financial report of Richmond Vanadium Technology Pty Ltd is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the year then ended; and

(b) complying with Australian Accounting Standards – Simplified Disclosures 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 Entity in accordance with the ethical requirements of the Accounting Professional and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(g) in the financial report, which indicates that the Company is dependent on the successful Initial Public Offer and/or the financial support of the Company's related entities. As stated in Note 1(g), these events or conditions, along with other matters as set forth in Note 1(g), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001* and such internal control as the directors determine is necessary to enable the preparation of a 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 relating 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.

RICHMOND VANADUIM TECHNOLOGY PTY LTD
ABN 63 617 799 738

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RICHMOND VANADIUM TECHNOLOGY PTY LTD

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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD

Paul Mulligan

PAUL MULLIGAN
Executive Director
Perth, 7 September 2022