

**BLACK MOUNTAIN EXPLORATION AUSTRALIA
PTY LTD
ABN: 70 634 761 014**

INTERIM FINANCIAL REPORT
For the 6 months ended 30 June 2021

Table of Contents

DIRECTORS REPORT	2
FINANCIAL STATEMENTS	6
NOTES TO THE FINANCIAL STATEMENTS	10
MANAGEMENTS' ASSERTION	18
AUDITOR'S REPORT	19

DIRECTORS REPORT

For the 6 months ended 30 June 2021

The directors present their report on the consolidated entity (referred to hereafter as “the Group”) consisting of Black Mountain Exploration Australia Pty Ltd and the entity it controlled at the end of or during the period ended 30 June 2021.

1. Corporate Information

Black Mountain Exploration Australia Pty Ltd (“BMA” or “the Company”) is a company limited by shares that is incorporated and domiciled in Australia. The Company was incorporated on 9 July 2019.

2. Directors

The directors of the Company at any time during or since the end of the financial period are:

Name	Position(s)	Appointed
John Rhett Miles Bennett	Director and Chief Executive Officer	9 July 2019
Ashley Elizabeth Zumwalt-Forbes	Director and President	9 July 2019
Dean Stephen Hildebrand	Director and Chief Financial Officer	9 July 2019 ⁽¹⁾
Samantha Kay Richardson	Director and Chief Operating Officer	31 August 2021

(1) Resigned 31 August 2021

3. Principal Activities

The principal activities of entities within the consolidated group during the course of the financial period were:

- Seeking investment and development opportunities in oil and gas, deploying capital in exploration.

There has been no significant change in the nature of those activities during the period.

4. Financial Position and Performance

- Reported net loss after tax \$1.135m (2020: \$1.308m), including \$0.774m (2020: \$0.896m) of exploration expenses, and \$0.354m (2020: \$0.574m) of administration and corporate expenses.
- Net operating cash outflows from during the period were \$0.855m (2020: \$1.354m). There was no production during the period while the Valhalla project remained in appraisal stage.
- Net investing cash outflows were \$0.064m (2020: \$0.20m).
- Net financing inflows of \$0.688m (2020: \$0.578m) related to proceeds from additional paid in capital from the ultimate parent, BM Canning LLC.

DIRECTORS REPORT

For the 6 months ended 30 June 2021

Review of Operations

Corporate

- The Environmental Protection Authority (EPA) referral was submitted on 21 January 2021 for the Valhalla Gas Exploration and Appraisal Program proposal. The Company is proposing to undertake exploration drilling within EP 371.

There were no production or development activities during the financial period. Exploration and evaluation activities occurred during the financial period.

5. Dividends

No dividend was declared for the period ended 30 June 2021.

6. Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Company other than those listed above.

7. Significant Events after Reporting Date

The emergence of the Coronavirus disease (COVID-19) during the first months of 2020 has had a significant impact on financial markets, with broader economic and social disruption now evident and anticipated to continue in the near-term. As at the date of this report, COVID-19 has had no significant impact on the operations of the Group. The impact of COVID-19 on the Group in future periods is currently uncertain.

20,112,882 ordinary shares were issued to BM Canning LLC on 27 September 2021 for the \$20,112,882 additional share capital funding provided for the period covering 10 July 2021 to 31 August 2021. The additional share capital funding provided post balance sheet is \$665,882.

3,353 ordinary shares were issued to Black Mountain Land Company LP on 28 September 2021 for \$3,353 consideration.

Black Mountain Exploration Pty Ltd entered an office lease agreement on 14 September 2021, located in Perth CBD. The lease has a 3-year term commencing 1 November 2021. The rental commitment is \$209,898 with estimated outgoings of \$128,196 over the 3-year term.

There has not been any other matter or circumstance occurring subsequent to the end of the financial period that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods. The Company continues to evaluate the future work program.

8. Likely Developments

Disclosure of information regarding likely developments in the operations of the consolidated entity in future financial periods and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been disclosed in this report.

DIRECTORS REPORT

For the 6 months ended 30 June 2021

9. Environmental regulation

The consolidated entity is subject to environmental regulation under relevant Australian and Western Australian legislation in relation to its oil and gas exploration and production activities. The Department of Mines and Petroleum (DMP) is the primary regulator in Western Australia for petroleum activities though the Group's activities are also regulated by the Western Australian Department of Environment Regulation (DER) and Western Australian Department of Water (DOW). The Directors actively monitor compliance with these regulations. As at the date of this report, the Directors are not aware of any material breaches in respect of the regulations.

10. Indemnification and Insurance of Officers and Auditors

The Company maintains an insurance policy for its directors and officers against certain liabilities arising as a result of work performed in the capacity as directors and officers. The Company has paid an insurance premium for the policy. The contract of insurance prohibits disclosure of the amount of the premium and the nature of the liabilities insured.

Indemnification of auditors

The Company has not indemnified the auditor or made a relevant agreement for indemnifying against a liability.

11. Directors interests

The relevant interest of each director in the shares, debentures, interest in registered schemes and rights or options over such instruments issued by the companies within the Group and other related bodies corporate at the date of this report is as follows:

Director	Ordinary shares	Options over ordinary shares	Rights over ordinary shares
John Rhett Miles Bennett	-	-	-
Ashley Elizabeth Zumwalt-Forbes	-	-	-
Dean Stephen Hildebrand	-	-	-
Samantha Kay Richardson	-	-	-

DIRECTORS REPORT

For the 6 months ended 30 June 2021

12. Share Options

(i) Options Granted to Directors and Officers of the Company

During or since the end of the financial year, no options have been granted to directors or officers of the Company.

(ii) Unissued Shares under Options

At the date of this report there were no unissued ordinary shares of the Company under option.

(iii) Shares Issued on Exercise of Options

No option holder has any right under the options to participate in any share share issue of the Company or any other body corporate.

During or since the end of the financial year, the Company has not issued any ordinary shares as a result of the exercise of options.

13. Rounding

The Company is of a kind specified in Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. In accordance with that instrument, amounts in the financial report and the Directors' Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

This report is made out in accordance with a resolution of the directors:



J.R.M. Bennett
Director

Fort Worth, Texas
4 OCTOBER 2021

BLACK MOUNTAIN EXPLORATION AUSTRALIA PTY LTD

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS ENDED 30 JUNE 2021

	Note	30 June 2021 \$'000	30 June 2020 \$'000
Revenue		-	-
Finance income		-	163
Depreciation and amortisation		(2)	(1)
Exploration expenditure	3	(774)	(896)
Administration and other corporate expenses	3	(354)	(574)
Finance costs		(5)	-
Profit/(Loss) Before Income Tax		(1,135)	(1,308)
Tax benefit/(expense)		-	-
Profit/(Loss) for the period		(1,135)	(1,308)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		(1,135)	(1,308)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

BLACK MOUNTAIN EXPLORATION AUSTRALIA PTY LTD

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	30 June 2021 \$'000	31 December 2020 \$'000
Current Assets			
Cash and Cash Equivalents		22	256
Receivables		44	38
Prepayments		103	326
Total Current Assets		169	620
Non-Current Assets			
Property, Plant and Equipment		66	4
Exploration and Evaluation Expenditure	4	17,260	17,269
Prepayments		3	5
Total Non-Current Assets		17,329	17,278
Total Assets		17,498	17,898
Current Liabilities			
Payables		262	217
Total Current Liabilities		262	217
Non-Current Liabilities			
Provisions	5	2,721	2,719
Total Non-Current Liabilities		2,721	2,719
Total Liabilities		2,983	2,936
Net Assets		14,515	14,962
Equity			
Contributed Equity		19,447	18,759
Accumulated Losses	6	(4,932)	(3,797)
Total Equity		14,515	14,962

BLACK MOUNTAIN EXPLORATION AUSTRALIA PTY LTD

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS ENDED 30 JUNE 2021

	Note	Contributed Equity	Accumulated Profits/ (Losses)	Total Equity
		\$'000	\$'000	\$'000
Balance as at 1 January 2020		18,180	(1,182)	16,998
Loss for the period		-	(1,308)	(1,308)
Total Comprehensive Income for the period, before tax		-	(1,308)	(1,308)
Transactions with owners				
Shares Issued		-	-	-
Additional paid in capital		578	-	578
Balance as at 30 June 2020		18,758	(2,490)	16,268
Balance as at 1 January 2021		18,759	(3,797)	14,962
Loss for the period		-	(1,135)	(1,135)
Total Comprehensive Income for the period, before tax	6	-	(1,135)	(1,135)
Transactions with owners				
Shares Issued		-	-	-
Additional paid in capital		688	-	688
Balance as at 30 June 2021		19,447	(4,932)	14,515

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

BLACK MOUNTAIN EXPLORATION AUSTRALIA PTY LTD

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 6 MONTHS ENDED 30 JUNE 2021

	Note	30 June 2021 \$'000	30 June 2020 \$'000
Cash Flows from Operating Activities			
Payments to suppliers and employees		(80)	(344)
Interest paid		(1)	(1)
Payments for exploration expenditure		(774)	(1,009)
Net Cash Flows used in Operating Activities	7	(855)	(1,354)
Cash Flows from Investing Activities			
Proceeds from sale of Property, Plant and Equipment		-	1
Payments for Property, Plant and Equipment		(64)	(21)
Net cash flows used in Investing Activities		(64)	(20)
Cash Flows from Financing Activities			
Proceeds from Issue of Equity		688	578
Net Cash Flows from Financing Activities		688	578
Net Decrease in Cash and Cash Equivalents		(231)	(796)
Cash and cash equivalents at the beginning of the financial period		256	2,383
Effects of exchange rate changes on cash and cash equivalents		(2)	181
Cash and Cash Equivalents at the end of the period		23	1,768
Cash and cash equivalents comprise of the following:			
Cash at Bank and Cash on Hand		23	1,768

The above Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 JUNE 2021

NOTE 1: REPORTING ENTITY

Black Mountain Exploration Australia Pty Ltd (the "Company" or "BMA") is a company domiciled in Australia and was incorporated on 9th July 2019. The address of the Company's registered office is Level 9, 40 The Esplanade, Perth WA Australia. The ultimate parent of the Company is BM Canning LLC.

The Company is a for-profit entity and primarily is involved in:

- The acquisition and development of natural resources projects; and
- exploration for and production of oil and gas.

NOTE 2: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

(A) Basis of Accounting and Measurement

The consolidated financial statements comprise the Company and the entity it controlled (together referred to as "the Group"). The consolidated financial statements of the Group are General Purpose Financial Statements and have been prepared for the purpose of providing historical financial information of the Group in relation to the Directors due diligence in connection with an Initial Public Offering. The financial statements have been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board. The financial statements comply with International Financial Reporting Standards adopted by the International Accounting Standards Board.

The financial statements have been prepared on the historical cost basis.

Significant accounting policies

The accounting policies applied by the Group in this condensed consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 31 December 2020.

Use of judgements and estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income, and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 31 December 2020.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE 6 MONTHS ENDED 30 JUNE 2021

NOTE 2: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

(A) Basis of Accounting and Measurement (continued)

Financial risk management

During the half-year ended 30 June 2021, the Group's financial risk management objectives and policies were consistent with that disclosed in the consolidated financial report for the year ended 31 December 2020.

Operating Segments

The Group is engaged in one business and geographical segment, being oil and gas exploration in Australia. Operating segments are determined with reference to the internal financial reporting used by the chief operating decision maker to make decisions regarding the Group's operations and allocation of working capital.

(B) Functional and Presentation Currency

The financial report has been prepared in Australian dollars which is the Company's functional currency.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE 6 MONTHS ENDED 30 JUNE 2021

NOTE 2: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.
(continued)

(C) Going Concern

The consolidated financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

For the period ended 30 June 2021, the Company has incurred a loss before income tax of \$1,135,000 (2020: \$1,308,000) and has negative cashflow from operating activities of \$855,000 (2020: \$1,354,000) for the period. As at 30 June 2021 the Company has a net current liabilities of \$93,000 (2020: net current assets of \$403,000) and net assets of \$14,515,000 (2020: \$14,962,000).

The Company has invested over time in the exploration and evaluation of its Canning Basin tenements in anticipation of progressing towards development of a gas production facility. The Company requires additional funding to continue its planned expanded exploration and evaluation activities and the directors have prepared a cash flow forecast for the next 12 months which indicates the company will have sufficient funds available to it to continue as a going concern, subject to planned fund raising activities. The Board continue to evaluate fund raising options and planned equity raising initiatives, including a potential Initial Public Offering, which are draft, indicative, not formally executed and are subject to future financial market conditions present at the time those initiatives are executed.

In the event the Company is unable to avail of these planned fund raising initiatives, including a planned equity raise initiative for their expanded exploration and evaluation program, the directors have prepared a curtailed cash flow forecast for the next 12 months which indicates the company will have sufficient funds available to it to continue as a going concern, subject to support from their parent and its major shareholder. The Company's ultimate parent entity has provided a letter of financial support confirming that it is aware of the obligation of the Company and it will provide sufficient financial support in the form of equity injection to enable the Company to meet its obligations as and when they become due and payable for the next 12 months.

BLACK MOUNTAIN EXPLORATION AUSTRALIA PTY LTD

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 JUNE 2021

NOTE 3: CORPORATE AND ADMINISTRATION EXPENSES

	30 June 2021 \$'000	30 June 2020 \$'000
(a) Administration and Other Corporate Expenses		
Corporate and Administration Expenses	189	296
Management and Technical Services Fees	165	278
Total Administration and Other Corporate Expenses	354	574
(b) Exploration Expenditure		
Exploration Expenses	774	896
Total Exploration Expenditure	774	896

NOTE 4: EXPLORATION AND EVALUATION EXPENDITURE

	30 June 2021 \$'000	31 December 2020 \$'000
Exploration and Evaluation (at cost)		
Balance at the beginning of the period	17,269	17,265
Expenditure incurred during the period (net)	(9)	4
Balance at the end of the period	17,260	17,269

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 JUNE 2021

NOTE 5: PROVISIONS

	30 June 2021	31 December 2020
	\$'000	\$'000
Non-Current Provisions		
Site restoration (a)	2,721	2,719
Total Non-Current Provisions	2,721	2,719
<i>(a) Site Restoration</i>		
Balance at the beginning of the period	2,719	2,723
Change in estimate	-	(13)
Accretion	2	9
Balance at the end of the period	2,721	2,719

The Group records the present value of the estimated cost of legal and constructive obligations to restore operating locations in the period in which the obligation arises. The nature of restoration activities includes the removal of facilities, abandonment of wells and restoration of affected areas.

A restoration provision is recognised and updated at different stages of the development and construction of a facility and then reviewed on an annual basis. When the liability is initially recorded, the present value of the estimated future cost is capitalised by increasing the carrying amount of the related property plant and equipment. Over time, the liability is increased for the change in the present value based on a pre-tax discount rate appropriate to the risks inherent in the liability. The unwinding of the discount is recorded as an accretion charge within finance costs.

The carrying amount capitalised in property plant and equipment is depreciated over the useful life of the related producing asset.

Costs incurred that relate to an existing condition caused by past operations and do not have a future economic benefit are expensed.

A discount rate of 0.34% (2020: 0.88%) was applied during the period.

BLACK MOUNTAIN EXPLORATION AUSTRALIA PTY LTD

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 JUNE 2021

NOTE 6: RETAINED EARNINGS / (ACCUMULATED LOSSES)

	30 June 2021	31 December 2020
	\$'000	\$'000
Opening Retained Earnings / (Accumulated Losses)	(3,797)	(1,182)
Net Loss incurred during the reporting year/period	(1,135)	(2,615)
Accumulated Losses at end of period	(4,932)	(3,797)

NOTE 7: NOTES TO THE CASHFLOW

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

Reconciliation of net loss from continuing operations after income tax to the net operating cash flows:

	30 June 2021	30 June 2020
	\$'000	\$'000
Net Profit/ (Loss) after Income Tax	(1,135)	(1,308)
<i>Add/(deduct):</i>		
Unwinding of Well Restoration	1	5
Depreciation	2	1
Gain on sale of assets	-	(1)
Foreign Exchange Gains	11	(279)
Decrease/(increase) in Receivables	(4)	23
Decrease/(increase) in Prepayments	225	198
(Decrease)/increase in Payables	45	14
(Decrease)/increase in Operating Provisions	-	(7)
Net Operating Cash Flows	(855)	(1,354)

BLACK MOUNTAIN EXPLORATION AUSTRALIA PTY LTD

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 JUNE 2021

NOTE 8: RELATED PARTIES

The table below details the dual positions held by key executive personnel across the ultimate parent, BM Canning LLC, Black Mountain Exploration Australia (BMA) Group and Black Mountain Metals (BMM) Group during the reporting period.

COMPANY	DIRECTOR/ EXECUTIVE POSITION HELD
BMA GROUP – Black Mountain Exploration Australia Pty Ltd Black Mountain Exploration Pty Ltd Bennett Resources Pty Ltd	John Rhett Miles Bennett (Director & CEO) Ashley Elizabeth Zumwalt-Forbes (Director & President) Dean Hildebrand (Director & Co Sec)* Samantha Kay Richardson (Director & COO)**
RELATED PARTY – BMM GROUP Black Mountain Metals Pty Ltd	John Rhett Miles Bennett (Director & CEO) Ashley Elizabeth Zumwalt-Forbes (Director & President) Declan Thomas Franzmann (Director & COO) Dean Hildebrand (Director, CFO & Co Sec)
RELATED PARTY – ULTIMATE PARENT BM Canning LLC	John Rhett Miles Bennett (Manager)

* Resigned as company secretary on 19 August 2021. Resigned as director 31 August 2021.

** Appointed as director 31 August 2021.

(a) Transactions with Related Parties – Key Management Personnel

Key Management Personnel hold identical executive positions on the board of Black Mountain Metals. Mr. Hildebrand was paid monthly through Black Mountain Metals. Mr. Bennett and Ms. Zumwalt-Forbes do not draw a salary from any Australian domiciled entity.

(b) Transactions with Related Parties – Black Mountain Metals

The Company entered into a Service Agreement with Black Mountain Metals (“BMM”) to provide General and Administrative Services throughout the reporting period. The agreement was signed and executed on the 10th of July 2019.

Black Mountain Metals and the Company share the office premises located at Level 9, 40 The Esplanade, Perth 6000. The service agreement dictates how the company will be on-charged for office administration and rental charges. The Service Agreement further defines the calculations and conditions applicable for the on-charge of staff and associated contractor fees. These quarterly charges include oncosts for Mr. Hildebrand.

The following transaction occurred with related parties:

	30 June 2021	30 June 2020
	\$'000	\$'000
Black Mountain Metals		
Services/ Management Fee	165	278
Total Service Fee and Charges from Black Mountain Metals	165	278

BLACK MOUNTAIN EXPLORATION AUSTRALIA PTY LTD

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 JUNE 2021

NOTE 9: EXPLORATION EXPENDITURE COMMITMENTS

The Consolidated Entity has the following minimum exploration expenditure commitments: The following amounts are due:

	30-Jun-21	30-Jun-20
	\$ '000	\$ '000
Within one year	1,000	-
Later than one year but not later than three years	8,000	9,000
Later than three years but not later than five years	-	-
	9,000	9,000

NOTE 10: SUBSEQUENT EVENTS

The emergence of the Coronavirus disease (COVID-19) during the first months of 2020 has had a significant impact on financial markets, with broader economic and social disruption now evident and anticipated to continue in the near-term. As at the date of this report, COVID-19 has had no significant impact on the operations of the Group. The impact of COVID-19 on the Group in future periods is currently uncertain.

20,112,882 ordinary shares were issued to BM Canning LLC on 27 September 2021 for the \$20,112,882 additional share capital funding provided for the period covering 10 July 2021 to 31 August 2021. The additional share capital funding provided post balance sheet is \$665,882.

3,353 ordinary shares were issued to Black Mountain Land Company LP on 28 September 2021 for \$3,353 consideration.

Black Mountain Exploration Pty Ltd entered an office lease agreement on 14 September 2021, located in Perth CBD. The lease has a 3-year term commencing 1 November 2021. The rental commitment is \$209,898 with estimated outgoings of \$128,196 over the 3-year term.

There has not been any other matter or circumstance occurring subsequent to the end of the financial period that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years. The Company continues to evaluate the future work program.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 JUNE 2021

MANAGEMENTS' ASSERTION

In managements' opinion:

- the Company is not a reporting entity
- the financial statements and notes, set out on pages 6 to 17:
 - i) present fairly the financial position of the Company as at 30 June 2020 and its performance, as represented by the results of its operations and its cash flows, for the periods ended on those dates in accordance with the statement of compliance and basis of preparation described in Note 2(A), and
 - ii) comply with Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent described in Note 2(A), and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due and payable.

The Company has kept such accounting records that correctly record and explain its transactions and financial position.

The Company has kept its accounting records so that the financial statements that are presented fairly can be prepared from time to time, and

The Company has kept its accounting records in accordance with the Corporations Act 2001 so that the financial report of the Company can be conveniently and properly audited.

Attention should be drawn to Note 2(A) to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.



John Rhett Miles Bennett
Chief Executive Officer

Fort Worth, Texas
4 OCTOBER 2021



Independent Auditor's Review Report

To the Directors of Black Mountain Exploration Australia Pty Ltd

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Black Mountain Exploration Australia Pty Ltd.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Interim Financial Report of Black Mountain Exploration Australia Pty Ltd does not:

- present fairly, in all material respects, the **Group's** financial position as at 30 June 2021 and of its performance and its cash flows for the Half-year ended on that date; and
- comply with *Australian Accounting Standard AASB 134 Interim Financial Reporting*.

The **Interim Financial Report** comprises:

- Condensed consolidated statement of financial position as at 30 June 2021.
- Condensed consolidated statement of comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the Half-year ended on that date.
- Notes 1 to 10 comprising a summary of significant accounting policies and other explanatory information.
- Management's Assertion Statement.

The **Group** comprises Black Mountain Exploration Australia Pty Ltd (the Company) and the entities it controlled at the Half-year's end or from time to time during the half-year.

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*. 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 Group 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 fulfilled our other ethical responsibilities in accordance with the Code.



Emphasis of matter – basis of preparation and restriction on use and distribution

We draw attention to Note 2 to the Interim Financial Report, which describes the basis of preparation.

The Interim Financial Report has been prepared to assist the Directors of Black Mountain Exploration Australia Pty Ltd for the purpose of providing historical financial information on the Group and for the Directors' due diligence in connection to a potential Initial Public Offering.

As a result, the Interim Financial Report and this Auditor's Review Report may not be suitable for another purpose. Our conclusion is not modified in respect of this matter.

Our report is intended solely for the Directors of Black Mountain Exploration Australia Pty Ltd and should not be used by or distributed to parties other than the Directors of Black Mountain Exploration Australia Pty Ltd. We disclaim any assumption of responsibility for any reliance on this report, or on the Interim Financial Report to which it relates, to any person other than the Directors of Black Mountain Exploration Australia Pty Ltd or for any other purpose than that for which it was prepared.

Responsibilities of Management for the Interim Financial Report

Management are responsible for:

- The preparation and fair presentation of the Interim Financial Report in accordance with *Australian Accounting Standards* and have determined this is appropriate to meet the needs of the Directors for the purposes of their due diligence in connection to a potential Initial Public Offering.
- Implementing necessary internal controls to enable the preparation of the Interim Financial Report that is free from material misstatement, whether due to fraud or error.
- Assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group or Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities 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 does not present fairly the Group's financial position as at 30 June 2021 and its performance for the Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting*.

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.

KPMG
Perth
4 October 2021