



Chairman's Report

Dear Shareholder,

On behalf of the Board of Nimrod Resources Limited (the "Company"), it is my pleasure to present to you the annual report for the year ending 30 June 2021. We all realise that the year has been like no other, with COVID-19 restriction and an increase in mining exploration across Australia, both having led to delays in obtaining contractors and increases in input costs.

The future of our Company relies on Exploration success. To this end, your Board increased the Geological and Corporate expertise inside the Company with two additions during the year. An Exploration Manager Mr Damien Mizow B.Sc. (Hons) joined us in October 2020 and in February 2021 the addition to the Board of Mr David Hutton B.Sc. (Geol), Fellow AusIMM.

It has been a year of strengthening the expertise and therefore the knowledge base of the Company, including the ongoing support of geo-science consultants Dr. Jon Hronsky from Western Mining Services and John Donohue from the Geodiscovery Group.

EL9267 (ELA6047) was granted to your Company in February 2021 and another exploration licence, EL9042, in August 2021. EL9267 completes the area identified by Jon Hronsky in 2019, known as the Springvale Dome Prospect, which is further to the north from existing prospect areas historically identified by the Company. To this end we are relinquishing exploration licence areas south of the Springvale Dome Prospect which overlap with deep cover. EL9042 is a new direction for the Company, positioned south of Bourke towards Cobar. It has been selected for gold and base metal potential with quartz vein outcrops at surface.

I recommend the Exploration Manager's report to you, but I just need to highlight that subsequent to 30 June 2021 we completed 71 holes for over 4,400 meters of aircore drilling in the "Springvale Belt" area. From here we are now waiting on assays. Once received, the Company will complete a detailed review, using internal and external expertise to determine the next steps in our Exploration Program. Once that review is complete, expected in December 2021, the Board will then consider further required Capital needs, through offers to existing Shareholders and new Investors. The assays are the key here to the future.

With the Governance issue behind us, this year the focus has been on cost reductions, the better use of assets and the use of cash available. To this end, we no longer have premises in Acacia Ridge, finalised on 13 September 2021.

During the financial year, the Company introduced a Share Rights Plan to reflect market practice, to attract and retain key talent, align overall REM with industry comparable companies and to ensure a strong alignment between Directors / Executives interests and the delivery of shareholder return. Details of Share Rights issued during the 30 June 2021 financial year are contained in the attached Financial Statements.

I wish to thank all those involved, the Board for their guidance and wisdom, our Company Secretary, Exploration Manager and our Financial Controller for all their diligent work and continued support for Nimrod during the 2020-2021 year.

Thank you to our external consultants, headed by Jon Hronsky and John Donohue, together with our internal team. Your Company has in place a highly credentialed team to draw on.

There is no doubt that further capital raising will continue to be a key issue for us. Capital will not come without exploration success. To this end, the Board recognised that with the lack of commercial mineralisation discoveries by the Company in the past, we had to take a different approach, and we have.

On behalf of the current Board, I thank all those who have contributed to the Nimrod of today, our Shareholders, Directors, Consultants and Contractors.



Bruce D McIver AM

Chairman

8th October 2021

Directors & Officers



Bruce McIver, AM, FAICD

Chairman

Bruce is Non-Executive Director of Australia Post, The City of Brisbane Investment Corporation (CBIC) and Rail Technology Group Pty Ltd. Bruce is also the Chairman of the McIver Group of Companies. Previously he has served on a number of Boards specialising in Bulk Shipping, Mining Logistics, Oil & Gas Logistics and Property, both in Queensland, interstate & in Asia. Bruce has also been active in state and local politics throughout his career.



Peter Jans, LLB (Hons), Grad. Dip (Ancient History), MA

Non-Executive Director

Peter is a senior commercial, corporate and resources lawyer with direct ASX listed experience, including group general counsel and company secretary for ERM Power Limited (ASX: EPW), Queensland Gas Company Limited (ASX:QGC) and CS Energy Limited (QLD: GOC). Peter has extensive experience in capital markets, including IPOs, mergers, acquisitions, equity and funding raisings, corporate governance and structuring, as well as regulatory dealings (ASX, ASIC and ACCC).



Terry O'Reilly B.Com, MBA, M.AppFin, FAICD, CPA

Non-Executive Director

Terry has extensive commercial experience in both Australia and Asia. With Rio Tinto he had Managing Director roles at Pacific Coal and Coal and Allied. He has been a director of a number of listed and unlisted companies including MacArthur Coal and is currently Chair of Batchfire Resources Pty Ltd.



DAVID HUTTON

Non-Executive Director – B.Sc. (Hons), FAusIMM, MAIG

David has over 30 years mining industry experience, having worked in a range of operational roles with the MIM Group, Forrestania Gold, Western Metals, LionOre Australia, both locally and overseas. David has extensive mineral exploration experience across a number of commodities including gold, copper, nickel, silver, lead and zinc. Prior to joining Nimrod Resources, David spent the last 12 years as Managing Director of two ASX – listed mineral exploration companies – firstly Breakaway Resources and then Mithril Resources. He has a Bachelor of Science (Honours) degree majoring in Geology from Monash University Victoria, is a Fellow of Australasian Institute of Mining and Metallurgy, and a Member of the Australian Institute of Geoscientists.

Directors & Officers (contd.)



Mark Day BA (Hons), LLB, FGIA

Company Secretary

Mark has experience in commercial, legal and diplomatic roles throughout Asia Pacific. He has over thirty year's experience as a commercial lawyer in multinational law firms in Australia, Hong Kong and Shanghai as well as in-house as general counsel and company secretary for large public and private corporations including in the minerals sector. Mark is a Fellow of the Governance Institute of Australia and a Member of the AICD.



Stephen Gaffney B.Bus (Acctcy), B.Laws, ACA

Financial Controller

Stephen has 20 years of professional and commercial accounting experience with a demonstrated history of working in the pharmaceutical, aviation, manufacturing, cement, mining & metals industries. He has worked both domestically and internationally, spanning both privately listed and public companies. Stephen has extensive experience in cash flow, business planning, financial analysis, corporate governance, equity and capital raisings, management, M&As and consolidation. He is a member of the Australian Institute of Chartered Accountants.

Management



Damien Mizow B.Sc. (Hons)

Exploration Manager

Damien has a 14 year career in the mineral industry having worked in Australia, Scandinavia and Ecuador. This has included experience in underground mine geology and extensive experience in greenfields basemetal and gold exploration and management of advanced exploration programs. Previous engagements have ranged from working with junior exploration companies through to majors and mid-tier mining companies such as Xstrata Zinc and Oz Minerals. Mr Mizow holds a Bachelor of Science with Honours, majoring in Geology, from the University of Adelaide.

A large drilling rig, mounted on a truck, is shown in operation on a dirt road. The rig is discharging a large volume of red dirt or mud onto the ground. A worker in a yellow shirt and white hard hat stands nearby, observing the process. In the background, a white pickup truck is parked, and a sign for "Pavement Drilling" is visible. The scene is set in a dry, arid environment with sparse vegetation and a clear blue sky.

Review of Operations

Company Overview

Nimrod Resources Limited ("Nimrod") is an unlisted public company engaged in mineral exploration for gold and base-metals.

Project Location

Nimrod's flagship project is the Bourke Gold Project, located north of Bourke in New South Wales (Figure 1).

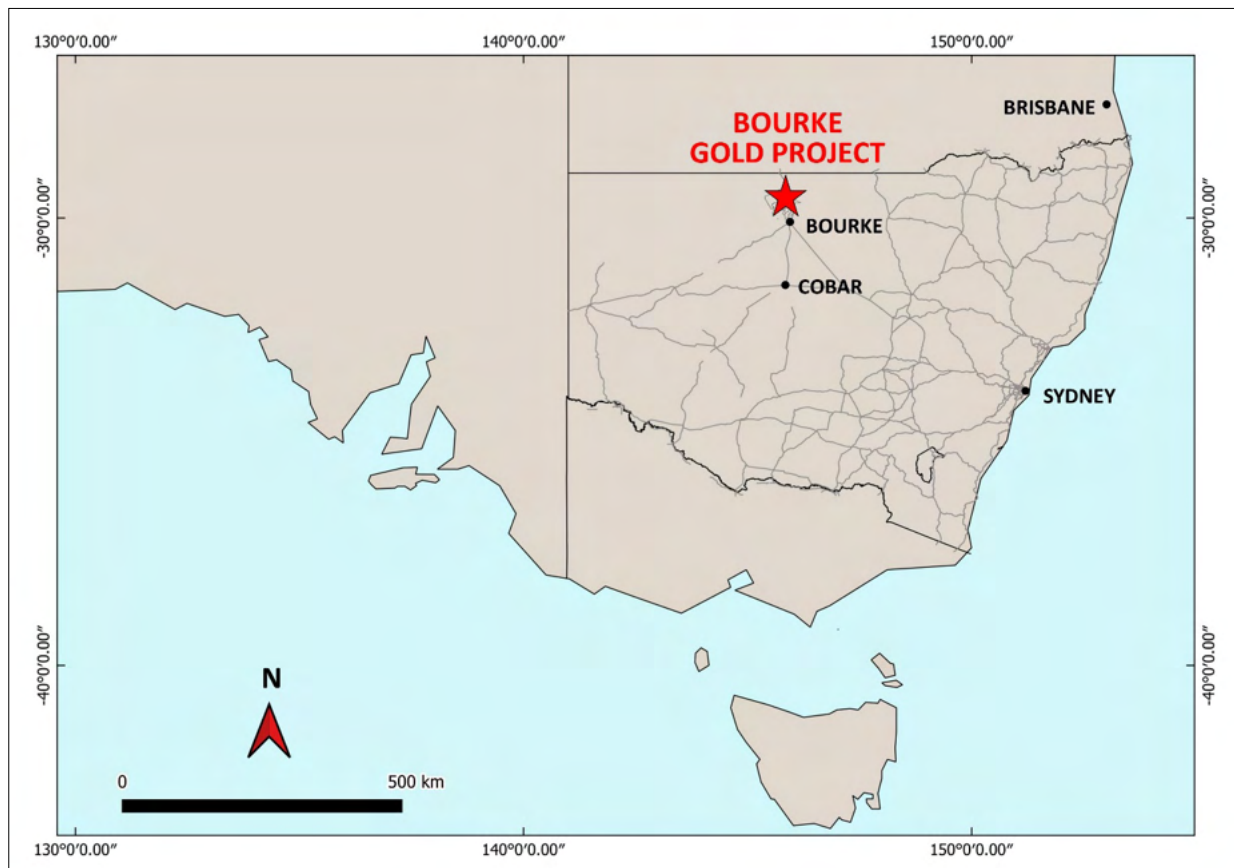


Figure 1: The Bourke Gold Project is located 80km north of Bourke in NSW.

Tenure

Nimrod holds approximately 2,900km² of exploration ground as shown in Figure 2 and in Table 1.

The exploration ground north of Bourke has been rationalised during the last 12 months to ensure that Nimrod remains focussed on the most prospective portion of the project which is centred around EL8957. This effectively means that those areas that are characterised by deep cover sequences are being progressively relinquished (EL6607 was reduced by 50% and EL8859 and 8860 will be dropped). During the reporting period EL 9267 and 9042 were granted.

Review of Operations

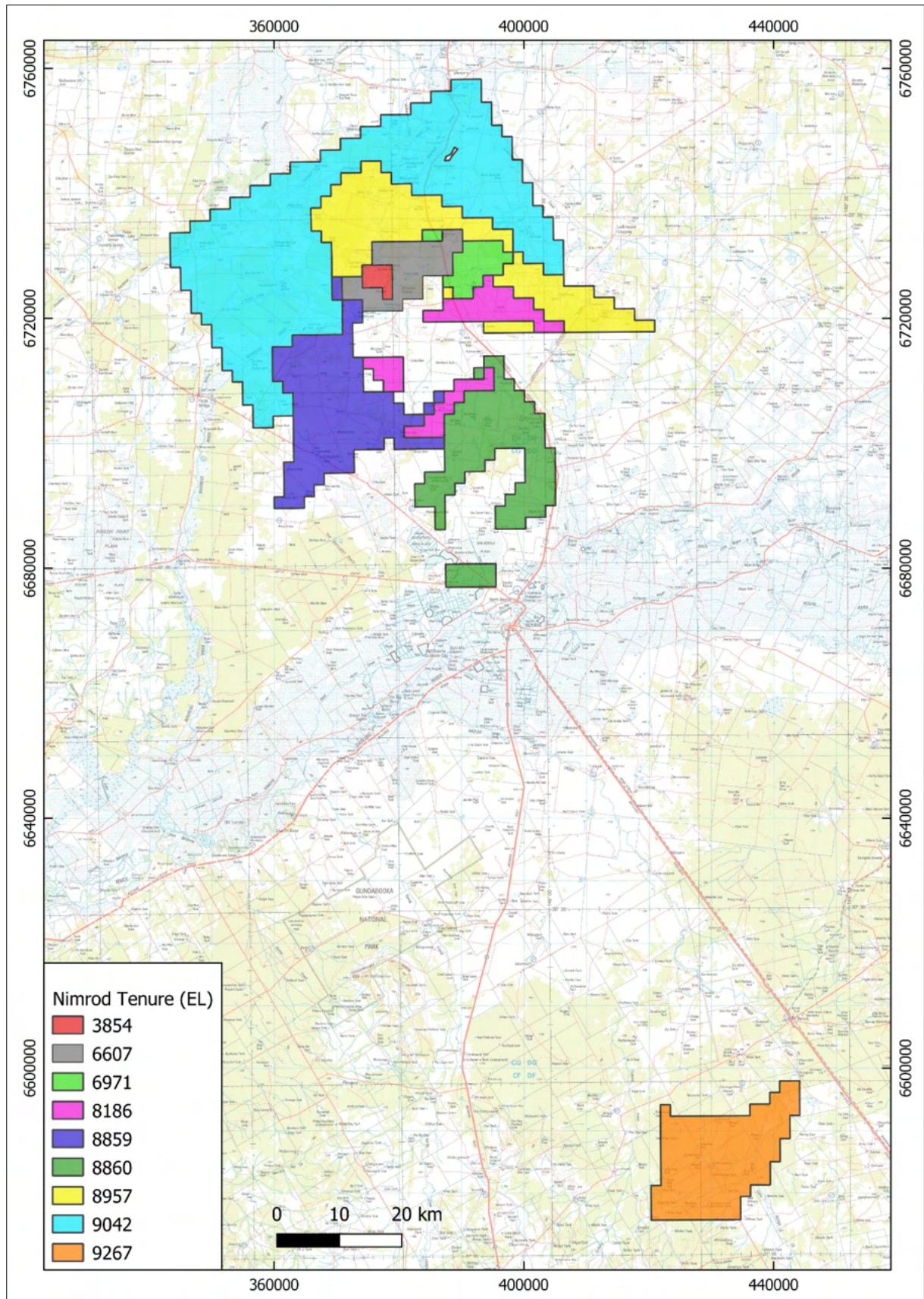


Figure 2: Map of Nimrod Exploration Licences (ELs).

Review of Operations

Title No.	Project	Grant Date	Expiry Date	No. Units	Comments
3854	Bourke	21/05/1991	21/05/2020	7	Renewal Approved. Awaiting formal notification
6607	Bourke	2/08/2006	2/08/2021	41	Renewal Sought
6971	Bourke	11/12/2007	11/12/2022	23	
8186	Bourke	29/10/2013	29/10/2021	53	
8859	Bourke	17/06/2019	17/06/2022	131	Relinquishment processing
8860	Bourke	17/06/2019	17/06/2022	108	Relinquishment processing
8957	Bourke	31/03/2020	31/03/2023	139	
9042	Bourke	11/02/2021	11/02/2023	377	
9267	Little Peak	20/08/2021	20/08/2022	111	

Table 1: Nimrod Exploration Licence status.

Geology and Exploration Rationale

The Bourke Gold Project is located in the Southern Thomson Orogen, a broadly east-west oriented terrane, straddling the NSW-QLD border (Figure 3a). The Thomson Orogen comprises Paleozoic and perhaps older rocks but little is still known about its geology due to large areas being totally covered by younger Mesozoic sedimentary rocks of the Eromanga Basin. The Eromanga Basin is often referred to as the “Great Artesian Basin” and contains a major aquifer near its base, hosted by the Jurassic Hooray Sandstone. There are no outcrops of Paleozoic basement rocks within the Bourke project.

The project area is dominated by a southwest - northeast oriented structural fabric. This includes two major fault zones (FZ), the Culgoa FZ and the Yalambie FZ. These major northeast trending faults, and in particular the Yalambie FZ, represent a segment of the continental-scale Darling River Lineament. The giant Broken Hill silver-lead-zinc deposits lie within the Darling River Lineament (further to the southwest), which represents a complex, multi-stage composite structural zone.

Another important structural fabric is a northwest to west-northwest trend, which represents part of the continental-scale Newcastle Lineament zone and locally manifests as the Congararra FZ within the project area.

The intersection of these crustal scale faults coincides with Nimrod’s Springvale Dome Prospect (SDP; Figure 3b) which lies within the central portion of the Bourke Project. Nimrod remains focussed on the SDP, based on the recognition that these crustal scale faults can form the primary structural roots in orogenic gold systems. This notion is supported by narrow auriferous quartz-carbonate veins in sheared basalts intersected by Nimrod in historic drilling, 12km south of the SDP (Figure 3c).

Review of Operations

Importantly, this structurally complex domain coincides with an area of uplifted basement, where Nimrod aeromagnetic and ground gravity data has demonstrated the depth to basement covering the SDP and broader 30km long exploration corridor is <100m. This relatively shallow cover lends itself to conventional exploration such as soil sampling, electrical geophysics and percussion drilling.

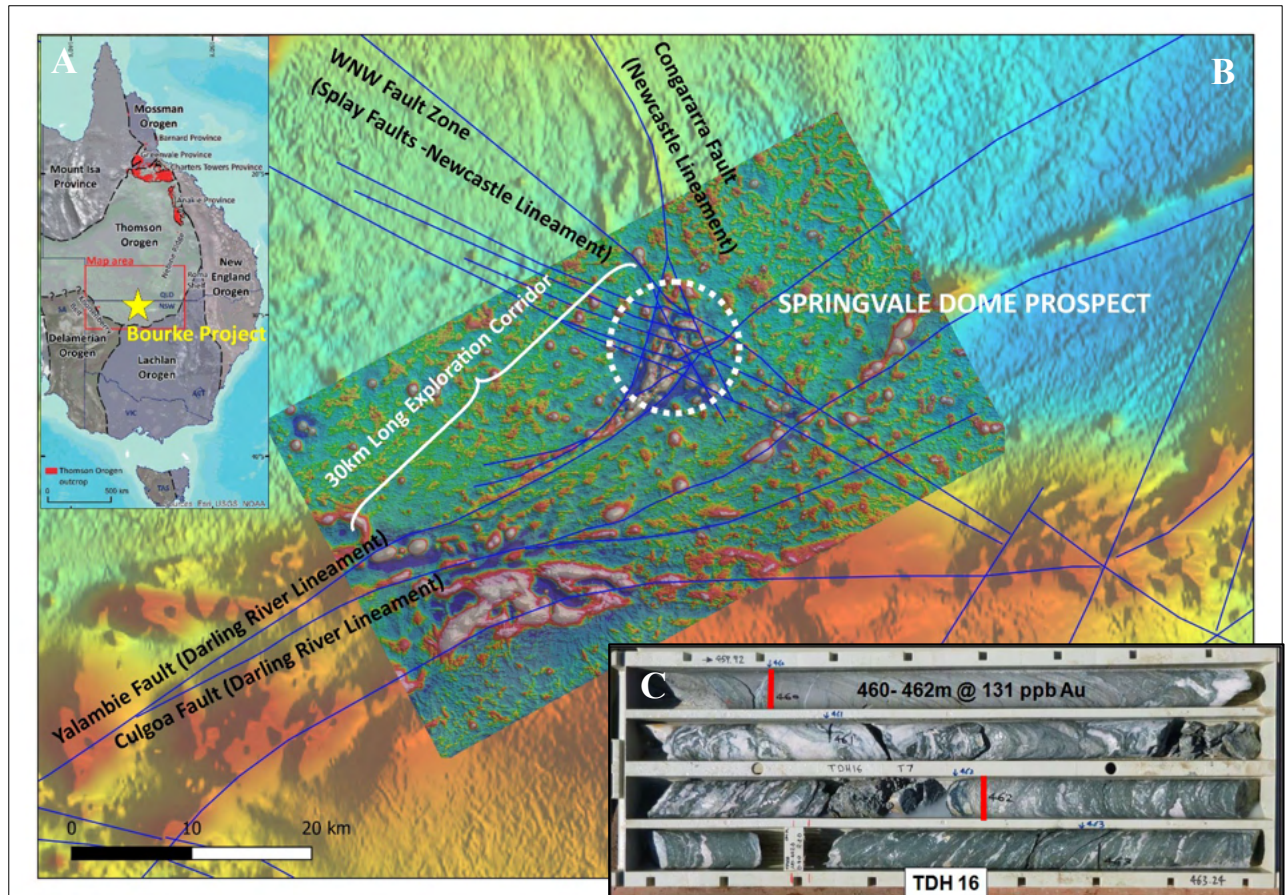


Figure 3: A) Bourke Project located in Southern Thomson Orogen. B) Springvale Dome Prospect is positioned at the intersection of the Yalambie and Congarrarra TLFs and forms part of the 30km long exploration corridor. Image: Regional TMI in background overlapped by Nimrod aeromagnetic RTP 0.5VD image. C) Nimrod drillhole TDH16 intersected 2m @ 0.13ppm Au from 460m in quartz carbonate veining hosted in sheared basalts. This intersection lies 12km south of the Springvale Dome Prospect and supports the notion that the area is prospective for orogenic gold mineralisation.

Review of Operations

Exploration Summary

Work Undertaken

- Ultrafine⁺™ soil sampling program – 412 samples
- Ground Electromagnetic Survey(s) implemented testing bullseye magnetic features for Cobar style zinc-lead-silver-copper and Nickel Sulphide mineralisation.
- 71 aircore holes for 4,442 metres drilled. Awaiting assays

Work Program Logistics

Delays were experienced in implementing the aircore drill program, primarily due to unseasonal rain events which cut access to much of the exploration ground, in addition to unforeseen land access issues.

Covid-19 restrictions caused minor delays during the year and were most evident during the drill program. Bourke was a Covid-19 hotspot, forcing Nimrod staff and contractors to be vaccinated, undergo regular Covid-19 tests throughout the program and forced quarantine.

Nevertheless, Nimrod was able to successfully implement the drill program in late 2021.

Ultrafine Soil Sampling

Soil sampling is a rapid technique that can test large areas for basement geochemical anomalism. It is largely used in areas where basement outcrop exists or where basement is concealed by shallow cover. In January and February 2021, 412 soil samples were taken across a 20km strike of the Springvale Belt (Figure 4). The survey was implemented at 400m x 400m and 200m x 400m centres and designed on four key principles:

- 1) Use the Ultrafine⁺™ technique which analyses the <2µm fraction.
- 2) Sample where depth to basement is interpreted to be most shallow i.e.: 40-60m.
- 3) Sample the Springvale Belt magnetic package and key structure.
- 4) Do not sample in areas affected by the alluvial sheetwash of the Warrego River.

Review of Operations

Figure 4 illustrates the extent of the soil survey and shows gold plotted as a logarithmic scale. There is a clear association with gold anomalism along the central segment of the Bellenbar Fault which is parallel to the Yalambie FZ. This may represent gold leakage along the major structure or could simply be weakly elevated gold in cover sequences. This area has been tested with Aircore Drilling (Figure 7) and is awaiting interpretation of assays.

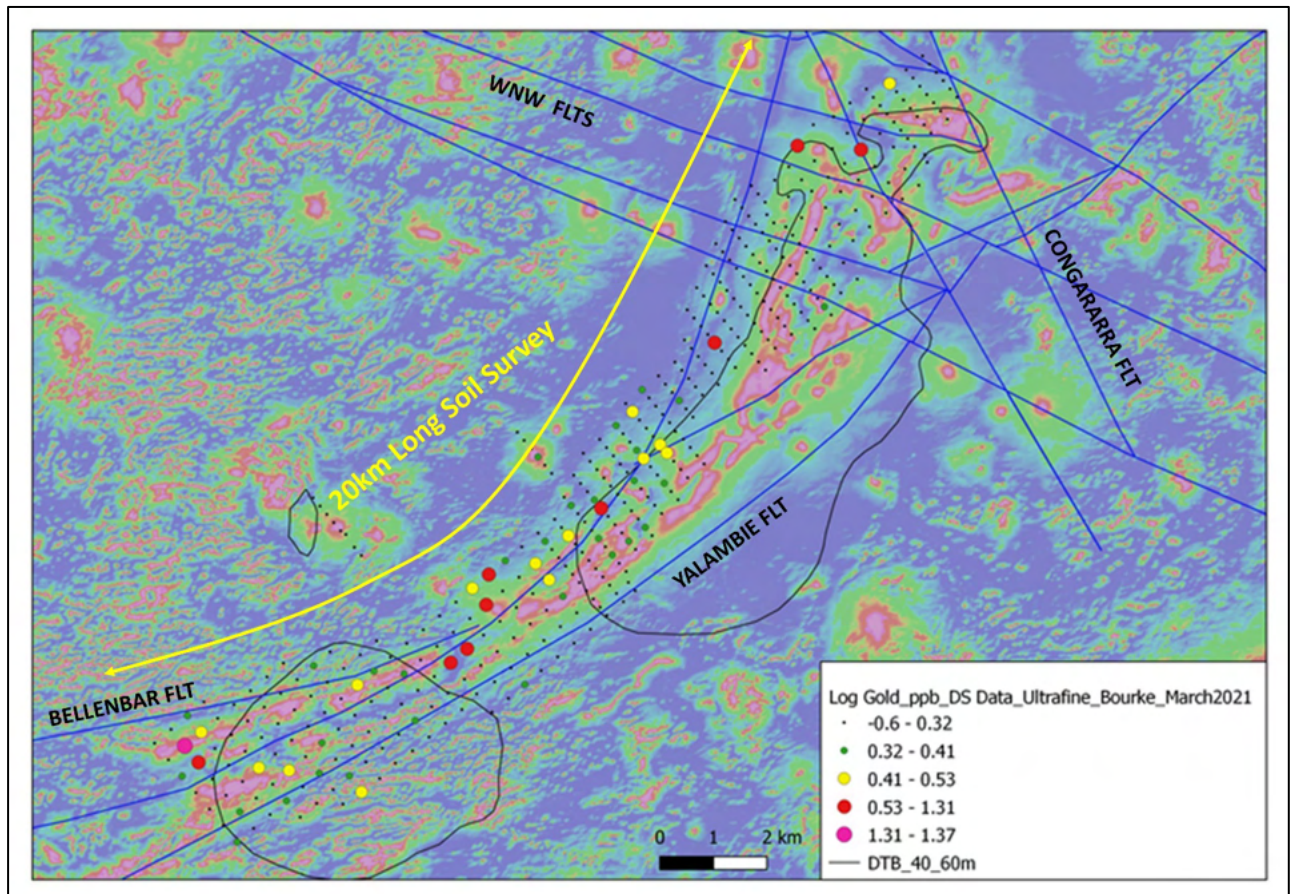


Figure 4: Ultrafine Soil Survey showing Logarithmic Gold values. Soil samples partially overlap with the 40-60m depth to basement (DTB) contour, increasing the likelihood of mapping basement geochemistry. Background image: 1VD Magnetics.

Ground Electromagnetics

Springvale Dome Bullseyes

A fixed loop ground electromagnetic (FLEM) program was implemented across the broader Springvale Dome Prospect area, aimed at testing seven discrete bullseye magnetic features, buried by up to 150m of conductive cover (Figure 5). These features were postulated to represent Cobar Style polymetallic massive sulphide mineralisation which would be directly detectable using

Review of Operations

electromagnetics. To reduce the risk of the EM not penetrating the conductive cover, a high-powered SQUID EM system was used.

Early time EM responses were interpreted in the post mineral conductive cover and are of no exploration interest. No late time bedrock conductors were detected. The magnetic bullseyes are therefore not after massive sulphide mineralisation.

Pirillie Prospect Bullseyes: A review of the regional historic exploration discovered that historic drill testing of a magnetic bullseye features in the south west of the SDP exploration corridor had intersected pentlandite (nickel sulphide) in ultramafic rocks (Figure 6). Ultramafic rocks are universally regarded for their nickel sulphide prospectivity. This prospect is called Pirillie and was targeted as a high priority nickel sulphide target. On the basis that buried nickel sulphide deposits are readily “visible” to ground electromagnetic (EM) geophysical surveying, two elongate bullseye magnetic features were tested with the high-powered SQUID EM system. The SQUID EM system successfully penetrated the 240 meters of conductive cover and screened the basement. Unfortunately, no late time basement conductors were detected, which strongly suggests the absence of a massive sulphide position.

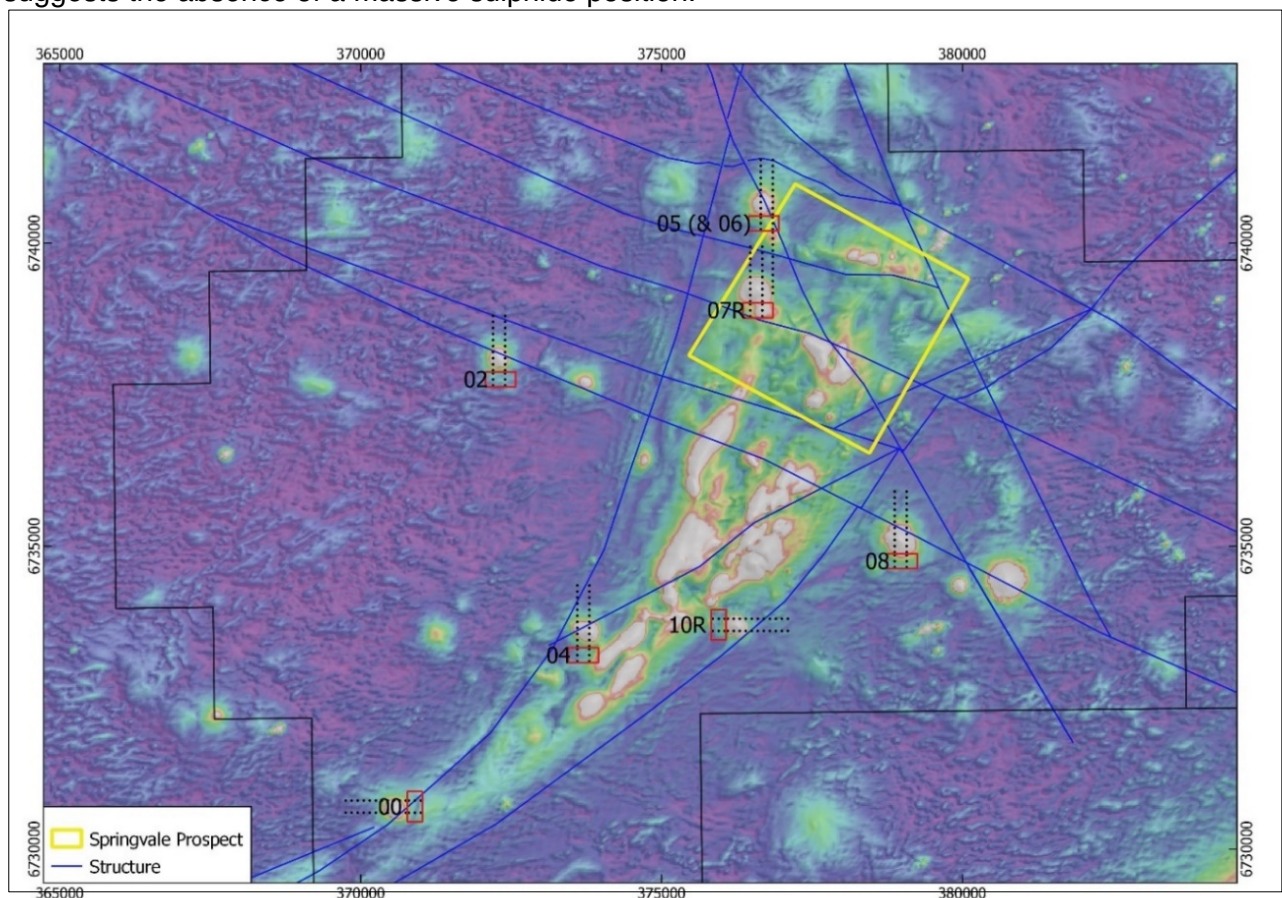


Figure 5: Seven bullseye magnetic features were tested with a FLEM SQUID system over the Springvale Dome Prospect area. FLEM loops shown as red polygons and stations as black dots.

Review of Operations

Background image: Tilt Derivative Magnetics.

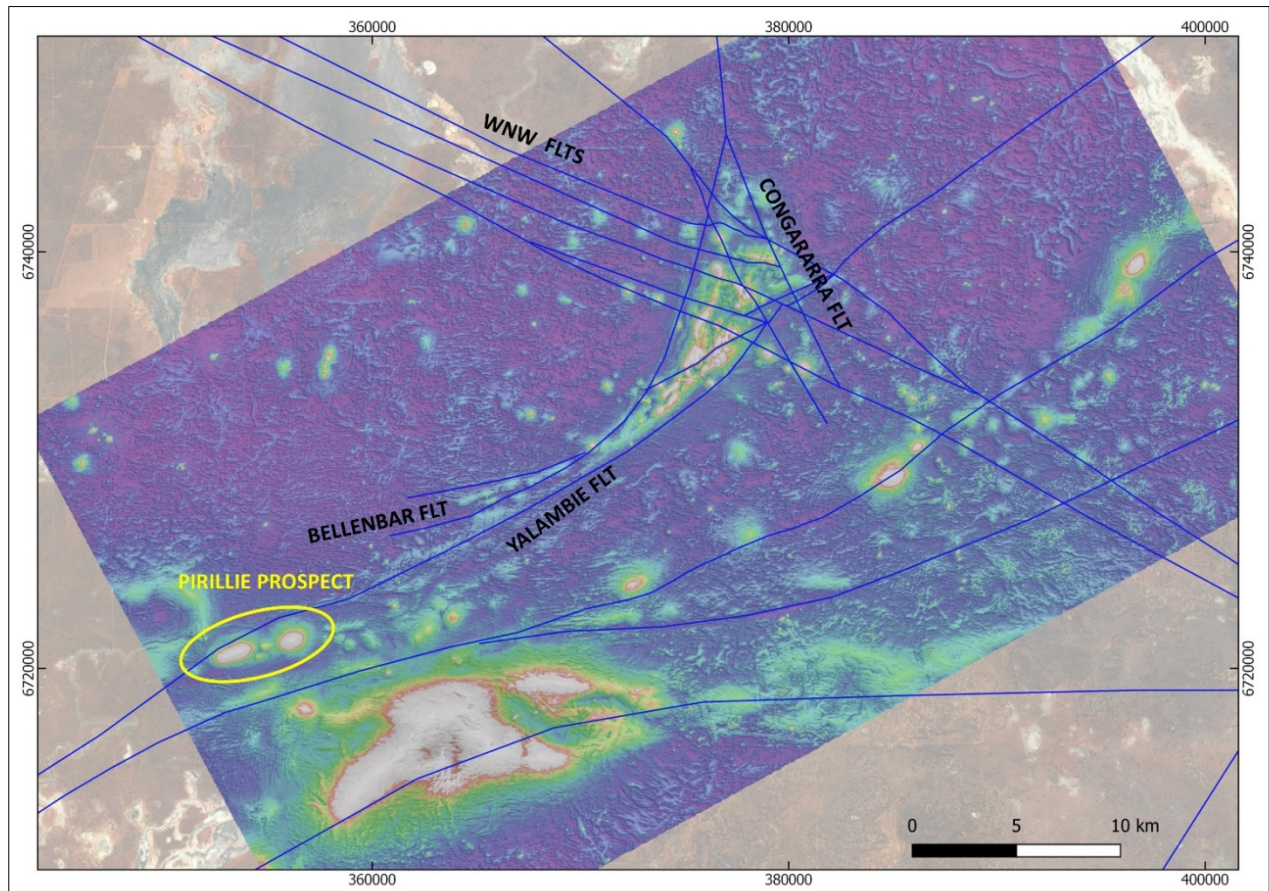


Figure 6: Pirillie Nickel Prospect lies at the south western margin of the Exploration Corridor and is defined by two bullseye magnetic features. Background image: Tilt Derivative Magnetics.

Aircore Drilling

Aircore drilling is a first pass, reconnaissance style drill technique that has the ability to test large areas rapidly, and in a cost-effective manner. It involves drilling through unconsolidated cover sequences/ weathered basement, until hard rock is encountered. If a mineralised body is concealed within the basement, any leakage from this mineralised body may migrate to the top of basement and may be sampled accordingly.

71 aircore holes for 4,442 meters were drilled covering a 12km strike of the Springvale Belt (Figures 7 and 8). These holes targeted structural intersections and folded magnetic stratigraphy, considered most likely to represent camp scale structural traps for gold or base metals. The program also sought to test various soil geochemical anomalies and in particular a subtle gold in soil anomaly along the Bellenbar Fault and various bullseye magnetic features for alkalic gold mineralisation.

At the time of writing assay results are pending. It is anticipated that the Company will have received all assays and completed interpretation of the data by late November 2021.

Review of Operations

Basement depths were achieved in the majority of holes with basement generally encountered between 30-80 metres vertical depth. The dominant basement lithology was a quartz - biotite +/- sillimanite gneiss with trace disseminated pyrite. Other basement lithologies consisted of quartzites and biotite dominated sequences. The bullseye magnetic anomalies are after a dark, fine grained mafic rock, probably a dolerite intrusion. The base of oxidation varied across the program with fresh basement sometimes intersected immediately below the unconformity (Eromanga Basin / basement contact) or at times exhibiting a 10-20m oxidation front.

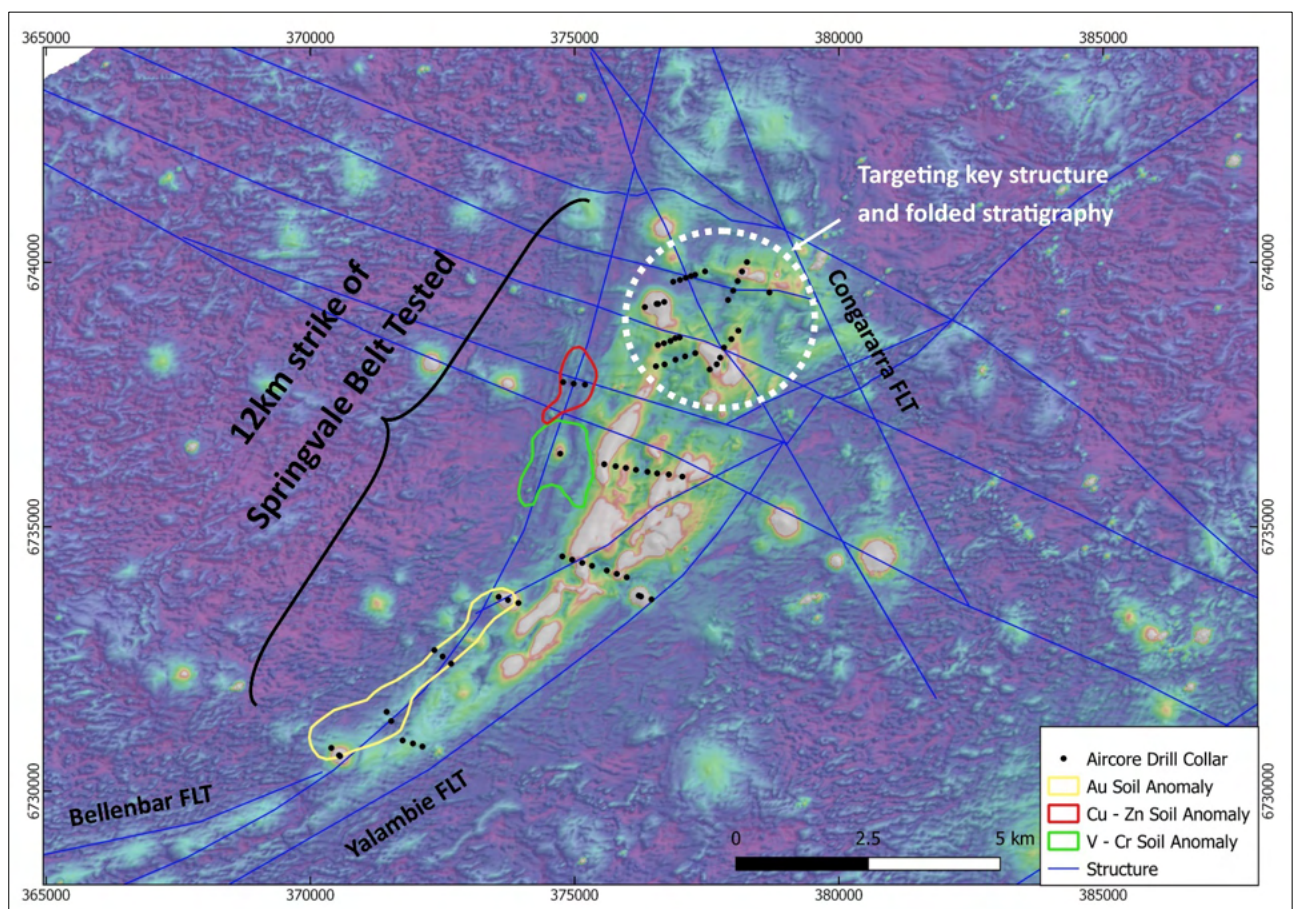


Figure 7: 71 aircore holes for 4,442 meters were drilled across a 12km strike of the Springvale Belt (magnetic package between the Bellenbar and Yalambie Faults). These holes targeted key structures, folded magnetic stratigraphy, bullseye magnetic anomalies and geochemical soil anomalies.

Review of Operations



Figure 8: Left) Typical set up of the aircore rig drilling a vertical hole, with samples in the foreground as 1m piles. Right) aircore rig with white cyclone used to collect sample; field ute in background used as platform for geological logging.

Planned exploration in 2022

Springvale Dome Prospect

12km of the prospective 30km exploration corridor has been tested with a combination of soil sampling, electromagnetics and aircore drilling.

A thorough review of the aircore drilling assays is required to determine if any gold, base-metal or pathfinder element anomalies exist. Subject to this review, further drilling may take place in the form of deeper reverse circulation percussion and/ or diamond drilling.

Little Peak Exploration Licence

Located ~90km south of Bourke (Figure 2), the Little Peak Exploration Licence overlaps with the Lachlan Orogen with basement outcrops preserved at surface. The EL is considered prospective for gold and Cobar style polymetallic mineralisation. A thorough review of the historical geology will take place and reconnaissance field trips conducted with emphasis on rock chip sampling and geological mapping.

Nimrod Resources Limited

Financial Statements

For the Year Ended 30 June 2021

Contents

For the Year Ended 30 June 2021

	Page
Financial Statements	
Directors' Report	1
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	24
Independent Audit Report	25

Directors' Report

30 June 2021

The directors present their report on Nimrod Resources Limited ("the Company") for the financial year ended 30 June 2021.

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Bruce McIver AM

Qualifications

Experience

Interest in shares and share rights

Chairman

FAICD (Dip.)

Bruce is Non-Executive Director of Australia Post, The City of Brisbane Investment Corporation (CBIC), Palmer Leisure Australia Pty Ltd and Sozo Resources Pty Ltd. He is also the Chairman of the McIver Group of Companies. Previously Bruce has served on a number of Boards specialising in Bulk Shipping, Mining Logistics, Oil & Gas Logistics and Property, in Queensland, Interstate and in Asia, he also held positions in Australian Politics. Bruce has been a Fellow of the Australian Institute of Company Directors (AICD) since 2004.

1,000,000 shares and 893,000 share rights held

James Macaulay

Qualifications

Experience

Interest in shares and share rights

Non-Executive Director - retired 22 December 2020

B.Sc.(Metall.), B.Com., FAICD (Dip.)

James has over 40 years of experience in the mining industry. He has broad experience covering metallurgy, mineral processing operations, mineral exploration, equipment application, engineering design, marketing, financial analysis, and corporate governance.

35,747,499 shares held

Peter Jans

Qualifications

Experience

Interest in shares and share rights

Non-Executive Director

LLB (Hons), Grad. Dip (Ancient History), MA

Peter is a senior commercial, corporate and resources lawyer with direct ASX listed experience, including group general counsel and company secretary for ERM Power Limited (ASX: EPW) and Queensland Gas Company Limited (ASX:QGC) and CS Energy Limited (QLD: GOC).

Peter has extensive experience in capital markets, including IPOs, mergers, acquisitions, equity and funding raisings, corporate governance and structuring, as well as regulatory dealings (ASX, ASIC and ACCC).

He has been a Director of a number of listed and unlisted companies.

446,000 share rights held

Terry O'Reilly

Qualifications

Experience

Interest in shares and share rights

Non-Executive Director

B.Com, MBA, M.AppFin, FAICD, CPA

Terry has extensive commercial experience in both Australia and Asia. With Rio Tinto he had MD roles at Pacific Coal and Coal and Allied. He has been a director of a number of listed and unlisted companies including MacArthur Coal and is currently Chair of Batchfire Resources Pty Ltd

446,000 share rights held

Directors' Report

30 June 2021

1. General information

Information on directors

David Hutton

Qualifications

Experience

Non-Executive Director - appointed 2 February 2021

B,Sc (Geol), Fellow AusIMM, Member AIG

David has over 30 years mining industry experience having worked in a range of operational and corporate roles with the MIM Group, Forresteria Gold, Western Metals, LionOre Australia, Breakaway Resources and Mithril Resources, both locally and overseas. David has extensive mineral exploration experience across a number of commodities including gold, copper, nickel, silver, lead and zinc. David is the Principal Consultant and Owner of Terrace Minerals Pty Ltd.

Interest in shares and share rights Nil

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

Principal activities

The principal activity of the Company during the financial year was the exploration of mineral opportunities in the Bourke area (New South Wales, Australia).

No significant changes in the nature of the Company's activity occurred during the financial year.

2. Operating results and review of operations for the year

Operating results

The loss of the Company after providing for income tax amounted to (\$1,060,290) (2020: Profit \$373,336).

3. Other items

Significant changes in state of affairs

Whilst there have been no significant changes in the state of affairs of the Company during the year, the coronavirus disease (COVID-19) restrictions and an increase in mining exploration activities across Australia have led to the Company experiencing both delays in obtaining contractors and increases in input costs.

Matters or circumstances arising after the end of the year

The outbreak of the coronavirus disease (COVID-19) is continuing to impact many sectors.

The directors will continue to closely monitor the impact of COVID-19 on the Company's business and financial performance however the situation is continuing to evolve and the long-term consequences are uncertain.

Other than as noted above, no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental matters

The Company is required to carry out its activities in accordance with regulations determined by statute and regional entities in the areas in which it undertakes exploration, development and production activities. The Company is not aware of any matter which requires disclosure with respect to any significant environmental regulation in respect of its operating activities.

Directors' Report

30 June 2021

3. Other items

Dividends paid or recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Company secretary

The following person held the position of Company secretary at the end of the financial year:

Mark Day (BA/LLB) has been company secretary since 20th May 2019. Prior to joining the Company Mark had over thirty years' experience as a commercial lawyer in private practice and in-house roles, most recently as general counsel and company secretary for the ASX listed mineral processing equipment manufacturer, Ludowici Limited. Mark is a Fellow of the Governance Institute of Australia.

Meetings of directors

During the financial year, 13 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Bruce McIver	13	13
James Macaulay	8	8
Peter Jans	13	13
Terry O'Reilly	13	13
David Hutton	5	5

Share Rights

During the year the Company issued 2,231,000 share rights in relation to the year ended 30 June 2020 as follows: Bruce McIver 893,000, Peter Jans 446,000, Terry O'Reilly 446,000 and Mark Day 446,000. At year-end, no share rights had been exercised.

No award of share rights has been made in relation to the year ended 30 June 2021 at this stage.

Indemnification and insurance of officers and auditors

The Company has indemnified the Directors for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith. No such indemnity has been provided for the auditors.

During the financial year, the Company paid a premium of \$8,800 (2020: \$8,000) to insure the directors and secretary of Nimrod Resources Limited.

Proceedings on behalf of company

The Company is the plaintiff in legal proceedings involving past supplies/services received. No claim exposure against the Company currently exists. At the date of this report, the matter is not yet finalised.

Directors' Report

30 June 2021

Relinquishment of exploration tenements

During the financial year, the Company relinquished tenements which it assessed as having no further prospective interest (EL7013, EL7089 and EL8187).

Exploration, evaluation and development expenditure of \$358,976 (2020: \$nil), which had been accumulated in respect of relinquished tenements, was written off in full.

Auditor's Independence Declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2021 has been received and can be found on page 5 of the financial report.

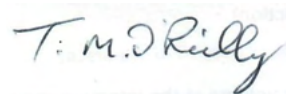
Signed in accordance with a resolution of the Board of Directors:

Director:



Bruce McIver AM

Director:



Terry O'Reilly

Dated this 7th day of October, 2021

Nimrod Resources Limited

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Nimrod Resources Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, there have been:

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



Mark Taylor
Director
HALL CHADWICK QLD

Dated at Brisbane this 7th day of October, 2021

Nimrod Resources Limited

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2021

		2021	2020
	Note	\$	\$
Income	4	47,151	982,485
Other income	4	1,461	-
Consulting and legal fees		(94,361)	(182,931)
Travel expenses		(5,022)	(8,710)
Rental expenses		(13,027)	(12,132)
Director fees		(147,244)	(131,665)
Depreciation expense		(125,899)	(121,040)
Administrative expenses		(207,072)	(151,466)
Exploration asset writedown	12	(358,976)	-
Share rights expense	16	(156,000)	-
Finance costs		(1,301)	(1,205)
Profit/(Loss) before income tax		(1,060,290)	373,336
Income tax expense	5	-	-
Profit/(Loss) for the year		(1,060,290)	373,336
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(1,060,290)	373,336

The accompanying notes form part of these financial statements.

Nimrod Resources Limited

Statement of Financial Position

As at 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	968,546	2,242,538
Trade and other receivables	8	21,196	-
Other assets	9	15,077	31,609
TOTAL CURRENT ASSETS		<u>1,004,819</u>	<u>2,274,147</u>
NON-CURRENT ASSETS			
Trade and other receivables	8	166,000	134,275
Property, plant and equipment	10	154,378	215,887
Right-of-use assets	11	11,013	41,155
Exploration, evaluation and development assets	12	4,872,974	4,434,159
TOTAL NON-CURRENT ASSETS		<u>5,204,365</u>	<u>4,825,476</u>
TOTAL ASSETS		<u><u>6,209,184</u></u>	<u><u>7,099,623</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	68,470	355,943
Lease liabilities	11	11,190	41,978
Employee benefits	14	8,712	-
TOTAL CURRENT LIABILITIES		<u>88,372</u>	<u>397,921</u>
TOTAL LIABILITIES		<u>88,372</u>	<u>397,921</u>
NET ASSETS		<u><u>6,120,812</u></u>	<u><u>6,701,702</u></u>
EQUITY			
Issued capital	15	10,870,936	10,547,536
Reserves	16	156,000	-
Retained earnings		<u>(4,906,124)</u>	<u>(3,845,834)</u>
TOTAL EQUITY		<u><u>6,120,812</u></u>	<u><u>6,701,702</u></u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2021

	Ordinary Shares	Retained Earnings	Share Rights Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2020	10,547,536	(3,845,834)	-	6,701,702
Loss for the year	-	(1,060,290)	-	(1,060,290)
Total other comprehensive income for the year	-	-	-	-
Transactions with owners in their capacity as owners				
Shares issued during the year	323,400	-	-	323,400
Share rights issued during the year	-	-	156,000	156,000
Balance at 30 June 2021	10,870,936	(4,906,124)	156,000	6,120,812

	Ordinary Shares	Retained Earnings	Share Rights Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2019	10,447,536	(4,219,170)	-	6,228,366
Profit for the year	-	373,336	-	373,336
Total other comprehensive income for the year	-	-	-	-
Transactions with owners in their capacity as owners				
Shares issued during the year	100,000	-	-	100,000
Balance at 30 June 2020	10,547,536	(3,845,834)	-	6,701,702

The accompanying notes form part of these financial statements.

Nimrod Resources Limited

Statement of Cash Flows For the Year Ended 30 June 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from R&D Incentive	-	932,326
Receipts from Government Covid-19 support	30,121	22,015
Payments to suppliers and employees	(887,253)	(675,447)
Interest received	17,030	30,143
Interest paid	(986)	-
GST Recovered	92,634	117,280
Net cash provided by/(used in) operating activities	17 (748,454)	426,317
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	4,750	-
Purchase of property, plant and equipment	(4,500)	(163,972)
Payment for exploration and evaluation	(797,788)	(875,600)
Payments for security deposits	(63,000)	(44,275)
Refunds of security deposits	20,000	-
Net cash provided by/(used in) investing activities	(840,538)	(1,083,847)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of shares	315,000	100,000
Net cash provided by/(used in) financing activities	315,000	100,000
Net increase/(decrease) in cash and cash equivalents held	(1,273,992)	(557,530)
Cash and cash equivalents at beginning of year	2,242,538	2,800,068
Cash and cash equivalents at end of financial year	7 968,546	2,242,538

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2021

The financial report covers Nimrod Resources Limited ("the Company") as an individual entity. Nimrod Resources Limited is a company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of the Company is Australian dollars.

The financial report was authorised for issue by the Directors on 7 October 2021.

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

2 Summary of Significant Accounting Policies

(a) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(a) Income Tax

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(b) Revenue and other income

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

Interest revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(c) Finance costs

Finance cost includes all interest-related expenses, other than those arising from financial assets at fair value through profit or loss.

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included 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 is classified as operating cash flows.

(e) Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(e) Financial instruments

(ii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Impairment of Financial Assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts and credit cards are shown as borrowings in current liabilities on the statement of financial position.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(g) Trade and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognised in the income statement.

(h) 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. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(i) Exploration and development expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. As the asset is not available for use it is not depreciated or amortised.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the period in which the decision to abandon that area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

The mining extraction and processing activities of Nimrod Resources Limited normally give rise to obligations for site closure or rehabilitation.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. When provisions for closure and rehabilitation are initially recognised, the corresponding cost is capitalised as an asset representing part of the cost of acquiring the future economic benefits of the operation. The capitalised cost of closure and rehabilitation activities is recognised in property, plant and equipment and depreciated accordingly. The value of the provision is progressively increased over time as the effect of discounting unwinds, creating an expense which is recognised in finance costs. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology discounted to their present value.

Any changes in the estimates for the costs are accounted on a prospective basis in the statement of profit or loss and other comprehensive income. In determining the costs of site restoration, there is an uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that restoration will be completed within one year of abandoning the site.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(j) Going concern

The financial statements have been prepared on a going concern basis which contemplates that the Company will continue to meet its commitments and can therefore continue normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

For the year ended 30 June 2021, the Company reported a loss after tax for the year of (\$1,060,290) (2020: profit of \$373,336). In the same period, the Company had combined operating and investing cash outflows totalling \$1,588,992 (2020: combined outflows totalling \$657,530).

Because of the nature of its operations, the Directors recognise that there is a need, on an ongoing basis, for the Company to regularly raise additional cash to fund future exploration activity and meet other necessary corporate expenditure. Accordingly, when necessary, the Company investigates various options for raising additional funds which may include, but is not limited to, an issue of shares or the sale of exploration assets where increased value has been created through previous exploration activity. Over the past 9 years, the Company has had a number of successful capital raisings.

Accessing capital markets is always uncertain and this may give rise to a material uncertainty in regards to the ability to raise additional funds. After taking into account the various funding options available, the Directors have a reasonable expectation that the Company will be successful with future fund-raising initiatives and, as a result, will have adequate resources to fund its future operational requirements. For these reasons they continue to adopt the going concern basis in preparing the financial report.

Should the Company be unable to continue as a going concern, it may be required to realise its assets and liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts nor to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key judgments - capitalisation of exploration and evaluation expenditure

The Company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure carried at the end of the reporting period is \$4,872,974 (2020: \$4,434,159).

Notes to the Financial Statements

For the Year Ended 30 June 2021

4 Revenue and Other Income

	2021 \$	2020 \$
Finance income		
- Interest received	17,030	28,144
Total interest income	17,030	28,144
Other income		
- Government Covid-19 support package	30,121	22,015
- R&D Incentive	-	932,326
Other income	30,121	954,341
Total Income	47,151	982,485

	2021 \$	2020 \$
Other Income		
- net gain on disposal of property, plant and equipment	1,461	-
Total Other income	1,461	-

5 Income Tax Expense

Reconciliation of income tax to accounting profit:

	2021 \$	2020 \$
Prima facie tax payable on profit from ordinary activities before income tax at 26% (2020: 27.5%)	(275,675)	102,667
Add:		
Tax effect of:		
- non-deductible depreciation and amortisation	32,734	33,286
- other non-allowable items	150,713	13,092
- Deferred tax asset not recognised	314,852	371,803
	222,624	520,848
Less:		
Tax effect of:		
- deductible depreciation	(8,133)	(22,153)
- black hole expenses	(3,423)	(2,065)
- deductible exploration expenditure	(166,724)	(217,104)
- other allowable items	(44,344)	(23,136)
- R&D Incentive	-	(256,390)
Income tax expense	-	-

Notes to the Financial Statements

For the Year Ended 30 June 2021

6 Tax assets and liabilities

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of losses because it cannot be determined that future taxable profit will be available against which the Company can utilise the benefits therein.

As of 30 June 2021, the Company has unutilised cumulative deferred tax assets of \$1,282,391 (2020: \$1,023,497).

7 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash at bank and in hand	968,546	642,538
Deposits	-	1,600,000
	<u>968,546</u>	<u>2,242,538</u>

8 Trade and Other Receivables

	2021	2020
	\$	\$
CURRENT		
Trade receivables	5,729	-
Deposits	11,275	-
GST receivable	4,192	-
Total current trade and other receivables	<u>21,196</u>	<u>-</u>

	2021	2020
	\$	\$
NON-CURRENT		
Deposits	166,000	134,275
Total non-current trade and other receivables	<u>166,000</u>	<u>134,275</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

9 Other Assets

	2021	2020
	\$	\$
CURRENT		
Prepayments	15,077	31,609

Notes to the Financial Statements

For the Year Ended 30 June 2021

10 Property, plant and equipment

	2021 \$	2020 \$
Plant and equipment		
At cost	192,556	199,256
Accumulated depreciation	(83,000)	(46,897)
Total plant and equipment	109,556	152,359
Furniture, fixtures and fittings		
At cost	76,458	71,958
Accumulated depreciation	(40,816)	(20,701)
Total furniture, fixtures and fittings	35,642	51,257
Motor vehicles		
At cost	15,455	15,455
Accumulated depreciation	(6,275)	(3,184)
Total motor vehicles	9,180	12,271
Total property, plant and equipment	154,378	215,887

Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment \$	Furniture, Fixtures and Fittings \$	Motor Vehicles \$	Total \$
Year ended 30 June 2021				
Balance at the beginning of year	152,359	51,257	12,271	215,887
Additions	-	4,500	-	4,500
Disposals	(3,289)	-	-	(3,289)
Depreciation expense	(39,514)	(20,115)	(3,091)	(62,720)
Balance at the end of the year	109,556	35,642	9,180	154,378
Year ended 30 June 2020				
Balance at the beginning of year	63,911	31,940	15,370	111,221
Additions	124,719	39,253	-	163,972
Depreciation expense	(36,271)	(19,936)	(3,099)	(59,306)
Balance at the end of the year	152,359	51,257	12,271	215,887

Notes to the Financial Statements

For the Year Ended 30 June 2021

11 Leases

Right-of-use assets

	Buildings \$	Total \$
Year ended 30 June 2021		
Right-of-use assets at cost	33,039	33,039
Accumulated Depreciation Right-of-use assets	(22,026)	(22,026)
Balance at end of year	11,013	11,013
Year ended 30 June 2020		
Right-of-use assets at cost	102,888	102,888
Accumulated Depreciation Right-of-use assets	(61,733)	(61,733)
Balance at end of year	41,155	41,155

Lease liabilities

The Company is party to one property lease in relation to its office. Rental provisions within the lease agreement requires that the minimum lease payments increase by the greater of 3% or CPI per annum.

The lease matured in March 2021 and was then extended for a further 6 months to September 2021. The total discounted lease liability at 30 June 2021 is \$11,190 (2020: \$41,978). (Undiscounted liability: \$10,250 (2020: \$42,230)).

Notes to the Financial Statements

For the Year Ended 30 June 2021

12 Exploration, evaluation and development assets

	2021	2020
	\$	\$
Exploration and evaluation	4,872,974	4,434,159
		Exploration & evaluation
		\$
2021		
Balance at beginning of the year		4,434,159
Expenditure incurred		797,791
Exploration asset write-down		(358,976)
Balance at end of the year		4,872,974
2020		
Balance at beginning of the year		3,558,559
Expenditure incurred		875,600
Balance at end of the year		4,434,159

The tenement licences were acquired in 2008 from Metallurgical Refining and Development Pty Ltd, at that time a director-related entity, in exchange for 68,649,970 ordinary shares in the Company. The licences were valued by an independent valuer who determined the fair value at the time to be \$20,000.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

The recoverable amount of development expenditure is determined as the higher of its fair value less costs to sell and its value in use.

During the financial year, the Company relinquished tenements which it assessed as having no further prospective interest (EL7013, EL7089 and EL8187). Exploration, evaluation and development expenditure of \$358,976 (2020: \$nil), which had been accumulated in respect of relinquished tenements, was written off in full.

13 Trade and Other Payables

	2021	2020
	\$	\$
Current		
Trade payables	31,016	291,473
GST payable	-	967
Sundry payables and accrued expenses	27,069	55,296
Other payables	10,385	8,207
	68,470	355,943

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Notes to the Financial Statements

For the Year Ended 30 June 2021

14 Employee Benefits

	2021	2020
	\$	\$
Current liabilities		
Provision for employee benefits	8,712	-
	<u>8,712</u>	<u>-</u>

15 Issued Capital

	2021	2020
	\$	\$
156,008,811 (2020: 151,388,811) Ordinary shares	<u>10,870,936</u>	<u>10,547,536</u>

(a) Ordinary shares

	2021	2020
	No.	No.
At the beginning of the reporting period	151,388,811	150,588,811
Shares issued during the year	<u>4,620,000</u>	<u>800,000</u>
At the end of the reporting period	<u>156,008,811</u>	<u>151,388,811</u>

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

16 Reserves

(a) Share rights reserve

The share rights reserve records the cumulative value of director and senior executive service received for the issue of share rights. When the share right is exercised, the amount in the share rights reserve is transferred to share capital.

During the year the Company issued 2,231,000 share rights in relation to the year ended 30 June 2020 as follows: Bruce McIver 893,000, Peter Jans 446,000, Terry O'Reilly 446,000 and Mark Day 446,000. At year-end, no share rights had been exercised.

No award of share rights has been made in relation to the year ended 30 June 2021 at this stage.

	2021	2020
	\$	\$
At the beginning of the reporting period	-	-
Share rights issued during the year	<u>156,000</u>	<u>-</u>
At the end of the reporting period	<u>156,000</u>	<u>-</u>

Notes to the Financial Statements

For the Year Ended 30 June 2021

17 Cash Flow Information

Reconciliation of net income to net cash provided by operating activities:

	2021	2020
	\$	\$
(Loss)/Profit for the year	(1,060,290)	373,336
Cash flows excluded from (loss)/profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	62,718	59,306
- depreciation on ROU asset	63,181	61,733
- write-off of capitalised expenditure	358,976	-
- gain on disposal of fixed assets	(1,461)	-
- share rights expense	156,000	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(5,729)	1,999
- (increase)/decrease in prepayments	16,532	26,515
- increase/(decrease) in trade and other payables	(278,106)	(47,327)
- increase/(decrease) in lease liabilities	(63,827)	(60,910)
- increase/(decrease) in GST	(5,160)	11,665
- increase/(decrease) in employee benefits	8,712	-
Cashflows from operations	<u>(748,454)</u>	<u>426,317</u>

18 Financial Risk Management

The entity's financial instruments consist mainly of deposits with banks, local money market instrument and accounts receivable and payable.

The carrying amounts for each category of financial instruments, measure in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies to these financial statements, are as follows:

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Company is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - currency risk, interest rate risk and price risk

Notes to the Financial Statements

For the Year Ended 30 June 2021

18 Financial Risk Management

Financial instruments used

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank
- Trade and other payables

	2021 \$	2020 \$
Financial assets		
Held at amortised cost		
Cash and cash equivalents	968,546	2,242,538
Trade and other receivables	187,197	134,275
Financial liabilities		
Financial liabilities at amortised cost	(79,660)	(397,921)
Total	1,076,083	1,978,892

19 Key Management Personnel Remuneration

The total remuneration of key management personnel of the Company was as follows:

	2021 \$	2020 \$
Director fees	147,244	131,665
Share rights issued	124,800	-
Total Remuneration	272,044	131,665

At year-end, no share rights had been exercised.

20 Related Parties

(a) The Company's main related parties are as follows:

(i) Key management personnel (KMP)

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 19: Key Management Personnel Remuneration.

Other transactions with KMP and their related parties are shown below.

(ii) Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Notes to the Financial Statements

For the Year Ended 30 June 2021

20 Related Parties

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties in the year ended 30 June 2021.

	Purchases	Liabilities
	\$	\$
KMP related parties		
Metallurgical Refining & Development Pty Ltd	100,000	-

(c) Loans from related parties

There are no loans from KMP as of 30 June 2021 (2020: Nil).

21 Events Occurring After the Reporting Date

The outbreak of the coronavirus disease (COVID-19) is continuing to impact many sectors.

The directors will continue to closely monitor the impact of COVID-19 on the Company's business and financial performance however the situation is continuing to evolve and the long-term consequences are uncertain.

Other than as noted above, no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

22 Statutory Information

The registered office and principal place of business of the Company is:

Nimrod Resources Limited
LEVEL 4, 240 Queen Street
BRISBANE QLD 4000

Nimrod Resources Limited

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 23, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2021 and of the 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.

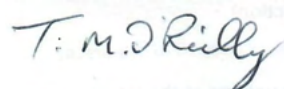
This declaration is made in accordance with a resolution of the Board of Directors.

Director



Bruce McIver AM

Director



Terry O'Reilly

Dated this 7th day of October, 2021

Nimrod Resources Limited

Independent Audit Report to the members of Nimrod Resources Limited

Opinion

We have audited the financial report of Nimrod Resources Limited (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(j) in the financial report which indicates that the Company incurred a loss after tax for the year ended 30 June 2021 of \$1,060,290 (2020: profit of \$373,336) and in the same period had combined operating and investing cash outflows totalling \$1,588,992 (2020: combined outflows totalling \$657,530). Note 2(j) also indicates that there may be a material uncertainty in regards to the ability of the company to raise additional funds.

As stated in Note 2(j), these events or conditions, along with other matters as set forth in Note 2(j), 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 Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

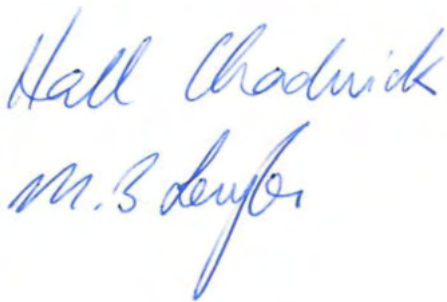
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Mark Taylor
Director
HALL CHADWICK QLD

Dated at Brisbane this 7th day of October, 2021

Sunrise over Nimrod's Bourke Tenements

