



Fitzroy River Corporation Ltd

ABN 75 075 760 655

Half-year Financial Report - 31 December 2021

Registered Office: Suite 6.02, Level 6, 28 O'Connell Street Sydney NSW 2000

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Fitzroy River Corporation Limited
Directors' report
31 December 2021

The Directors present their report, together with the financial statements, on the Consolidated Entity (referred to hereafter as the '**Consolidated Entity**') consisting of Fitzroy River Corporation Limited (referred to hereafter as the '**Company**' or '**Parent Entity**') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

Directors

The following persons were directors of Fitzroy River Corporation Limited during the whole of the financial half-year and up to the date of this report:

Mr Malcolm McComas – Independent Non-Executive Chairman
Ms Susan Thomas – Non-Executive Director
Mr Cameron Manifold - Independent Non-Executive Director

Principal activities

The principal activities of the Consolidated Entity are as an oil and gas and mineral investment holding company with a focus on non-operational assets such as royalties, free carried interests and equity investments. The Consolidated Entity's focus is on a number of areas including but not limited to:

- The Canning Super basin in Western Australia;
- Bass Strait through a 1% interest in the Weeks Royalty;
- The Gulf of Mexico through the Company's investment in ASX listed Byron Energy Limited (ASX:BYE);
- A right to a royalty or a cash payment on a decision to mine (at the election of Federation Mining Pty Ltd) in respect of the Blackwater Gold/Snowy River project in New Zealand;
- A right to a royalty over the Bowden's Silver Mine project in NSW being developed by ASX listed Silver Mines Limited (ASX: SVL); and
- The UK North Sea through an investment in the unlisted private Australian entity, Spark Exploration Pty Ltd.

The Consolidated Entity's activities are generally passive in nature and its royalty income is currently dependent on the activities and quantum of oil sales by third parties and the receipt of dividends, if any, from its investments.

Review of operations

The profit for the Consolidated Entity after providing for income tax amounted to \$226,031 (31 December 2020: \$387,289). Royalty income increased by \$184,336 (56.5%) due to favourable oil and gas prices. Operating expenses reduced by \$11,968 (5.5%) and further cost reductions have been identified for the second half-year period. Cash flow from operations was \$336,484 being a material improvement compared to the prior corresponding period to 31 December 2020: (\$58,445).

During the financial half-year period, the Consolidated Entity's activities continued to be passive in nature, in line with the prior half-year. Notwithstanding the significance of COVID-19 related events having less impact across the period, the Board maintained its focus on the sustained reduction of administrative overheads.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Consolidated Entity during the financial half-year.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Auditor's independence declaration

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

Fitzroy River Corporation Limited
Directors' report
31 December 2021

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

On behalf of the Directors



Malcolm McComas
Director

9 February 2022
Sydney

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Fitzroy River Corporation Ltd for the half year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



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R J MORILLO MALDONADO
Partner

Melbourne, VICTORIA
9 February 2022

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Fitzroy River Corporation Limited

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General information

The financial statements cover Fitzroy River Corporation Limited and its controlled entities for the half-year ended 31 December 2021. The financial statements are presented in Australian dollars, which is Fitzroy's functional and presentation currency.

Fitzroy is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 6.02, Level 6
28 O'Connell Street
Sydney NSW 2000

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

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 9 February 2022.

Fitzroy River Corporation Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

	Note	Consolidated Dec 2021 \$	Consolidated Dec 2020 \$
Royalty income		510,413	326,077
Other income	3	-	497,882
Interest revenue calculated using the effective interest method		283	717
Expenses			
Professional and consultancy fees		(43,229)	(70,346)
Director and company secretarial fees		(90,000)	(90,243)
Corporate expenses		(60,696)	(48,093)
Fair value loss on warrants over unlisted equity securities		-	(46,691)
Amortisation of royalty rights		(147,678)	(147,677)
Other expenses		(11,913)	(9,124)
Finance costs		-	(139,589)
Profit before income tax benefit		157,180	272,913
Income tax benefit		68,851	114,376
Profit after income tax benefit for the half-year attributable to the owners of Fitzroy River Corporation Limited		226,031	387,289
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain / (loss) on the revaluation of financial assets at fair value through other comprehensive income, net of tax		157,318	266,877
Other comprehensive income for the half-year, net of tax		157,318	266,877
Total comprehensive income for the half-year attributable to the owners of Fitzroy River Corporation Limited		383,349	654,166
		Cents	Cents
Basic earnings per share	8	0.21	0.45
Diluted earnings per share	8	0.21	0.45

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

Fitzroy River Corporation Limited
Consolidated statement of financial position
As at 31 December 2021

	Note	Consolidated Dec 2021 \$	June 2021 \$
Assets			
Current assets			
Cash and cash equivalents		925,214	474,369
Trade and other receivables		261,121	287,361
Other		30,518	35,979
Total current assets		<u>1,216,853</u>	<u>797,709</u>
Non-current assets			
Financial assets at fair value through other comprehensive income	4	2,078,589	1,982,926
Intangibles		3,372,967	3,520,645
Total non-current assets		<u>5,451,556</u>	<u>5,503,571</u>
Total assets		<u>6,668,409</u>	<u>6,301,280</u>
Liabilities			
Current liabilities			
Trade and other payables		28,144	28,219
Other		24,915	41,060
Total current liabilities		<u>53,059</u>	<u>69,279</u>
Total liabilities		<u>53,059</u>	<u>69,279</u>
Net assets		<u>6,615,350</u>	<u>6,232,001</u>
Equity			
Issued capital		43,785,284	43,785,284
Reserves		336,896	179,578
Accumulated losses		(37,506,830)	(37,732,861)
Total equity		<u>6,615,350</u>	<u>6,232,001</u>

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

Fitzroy River Corporation Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2021

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	41,377,546	471,390	(37,816,443)	4,032,493
Profit after income tax benefit for the half-year	-	-	387,289	387,289
Other comprehensive income for the half-year, net of tax	-	266,877	-	266,877
Total comprehensive income for the half-year	-	266,877	387,289	654,166
Balance at 31 December 2020	<u>41,377,546</u>	<u>738,267</u>	<u>(37,429,154)</u>	<u>4,686,659</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	43,785,284	179,578	(37,732,861)	6,232,001
Profit after income tax benefit for the half-year	-	-	226,031	226,031
Other comprehensive income for the half-year, net of tax	-	157,318	-	157,318
Total comprehensive income for the half-year	-	157,318	226,031	383,349
Balance at 31 December 2021	<u>43,785,284</u>	<u>336,896</u>	<u>(37,506,830)</u>	<u>6,615,350</u>

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

Fitzroy River Corporation Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2021

	Consolidated	
	Dec 2021	Dec 2020
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)	(198,589)	(218,112)
Royalties received	534,790	307,450
	<hr/>	<hr/>
Interest received	336,201	89,338
Interest and other finance costs paid	283	717
	<hr/>	<hr/>
	-	(148,500)
Net cash from/(used in) operating activities	<hr/>	<hr/>
	336,484	(58,445)
Cash flows from investing activities		
Payment of deferred consideration for acquisition of Royalco Resources Limited	(16,145)	(75,600)
Proceeds from disposal of investments	130,506	734,969
	<hr/>	<hr/>
Net cash from investing activities	<hr/>	<hr/>
	114,361	659,369
Cash flows from financing activities		
Repayment of borrowings	<hr/>	<hr/>
	-	(1,000,000)
Net cash used in financing activities	<hr/>	<hr/>
	-	(1,000,000)
Net increase/(decrease) in cash and cash equivalents	450,845	(399,076)
Cash and cash equivalents at the beginning of the financial half-year	474,369	624,000
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial half-year	<hr/>	<hr/>
	<u>925,214</u>	<u>224,924</u>

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

Fitzroy River Corporation Limited
Notes to the consolidated financial statements
31 December 2021

Note 1. Significant accounting policies

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

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

New or amended Accounting Standards and Interpretations adopted

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

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

Note 2. Operating segments

Identification of reportable operating segments

The Consolidated Entity is organised into one operating segment: management of resources based royalties and investments. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers (CODM) in assessing performance and in determining the allocation of resources.

Note 3. Other income

	Consolidated	
	Dec 2021	Dec 2020
	\$	\$
Gain on receipt of shares for nil consideration	-	497,882
	<u> </u>	<u> </u>

During the prior financial half-year, the Company received a further 3,354,472 fully paid ordinary shares for nil consideration in the unlisted company Spark Exploration Pty Ltd. This was structured as a two for one issue of new shares to non-founder shareholders and increased the Company's shareholding in Spark Exploration Pty Ltd from 1.43% to 3.09%. The resultant increase in value has been recognised in other income.

Note 4. Financial assets at fair value through other comprehensive income

	Consolidated	
	Dec 2021	June 2021
	\$	\$
<i>Non-current assets</i>		
Listed equity securities - at fair value	1,289,159	1,221,008
Unlisted equity securities - at fair value	789,430	761,918
	<u>2,078,589</u>	<u>1,982,926</u>

Refer to note 6 for further information on fair value measurement.

Fitzroy River Corporation Limited
Notes to the consolidated financial statements
31 December 2021

Note 4. Financial assets at fair value through other comprehensive income (continued)

Reconciliation of the fair values at the beginning and end of the current financial half-year is set out below:

	Listed investments	Unlisted investment	Total
Opening balance	1,221,008	761,918	1,982,926
Disposals	(130,506)	-	(130,506)
Revaluations recognised through other comprehensive income	198,657	27,512	226,169
	<u>1,289,159</u>	<u>789,430</u>	<u>2,078,589</u>

Note 5. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 6. Fair value measurement

Fair value hierarchy

The following tables detail the Consolidated Entity's assets and liabilities, measured or disclosed at fair value at the end of each reporting period, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Consolidated - Dec 2021				
<i>Assets</i>				
Listed equity securities - at fair value	1,289,159	-	-	1,289,159
Unlisted equity securities - at fair value	-	-	789,430	789,430
Total assets	<u>1,289,159</u>	<u>-</u>	<u>789,430</u>	<u>2,078,589</u>
Consolidated - June 2021				
<i>Assets</i>				
Listed equity securities - at fair value	1,221,008	-	-	1,221,008
Unlisted equity securities - at fair value	-	-	761,918	761,918
Total assets	<u>1,221,008</u>	<u>-</u>	<u>761,918</u>	<u>1,982,926</u>

There were no transfers between levels during the financial half-year.

The carrying amounts of trade and other receivables and other payables are assumed to approximate their fair values due to their short term nature.

Note 7. Events after the reporting period

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Fitzroy River Corporation Limited
Notes to the consolidated financial statements
31 December 2021

Note 8. Earnings /(loss) per share

	Consolidated	
	Dec 2021	Dec 2020
	\$	\$
Profit after income tax attributable to the owners of Fitzroy River Corporation Limited	<u>226,031</u>	<u>387,289</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>107,954,251</u>	<u>86,363,401</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>107,954,251</u>	<u>86,363,401</u>
	Cents	Cents
Basic earnings per share	0.21	0.45
Diluted earnings per share	0.21	0.45

Fitzroy River Corporation Limited
Directors' declaration
31 December 2021

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Malcolm McComas
Director

9 February 2022
Sydney

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF FITZROY RIVER CORPORATION LTD

Conclusion

We have reviewed the accompanying half-year financial report of Fitzroy River Corporation Ltd which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Fitzroy River Corporation Ltd does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* ("ASRE 2410"). Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year 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 half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Auditor's Responsibility for the Review of the Financial Report (continued)

A review of a half-year 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.



RSM AUSTRALIA PARTNERS



R J MORILLO MALDONADO
Partner

Melbourne, Victoria
9 February 2022