



AND ITS CONTROLLED ENTITIES

# ANNUAL REPORT 2022

FOR THE YEAR ENDED 30 JUNE 2022

# Fitzroy River

ABN: 75 075 760 655

# CONTENTS

---

CORPORATE DIRECTORY .....	3
CHAIR'S LETTER.....	4
DIRECTORS' REPORT.....	5
REMUNERATION REPORT .....	9
AUDITOR'S INDEPENDENCE DECLARATION .....	13
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ...	14
CONSOLIDATED BALANCE SHEET .....	15
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....	16
CONSOLIDATED STATEMENT OF CASH FLOWS .....	17
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS .....	18
DIRECTORS' DECLARATION.....	37
INDEPENDENT AUDITOR'S REPORT .....	38
ASX ADDITIONAL INFORMATION.....	42



# CORPORATE DIRECTORY

---

This financial report includes the consolidated financial statements and notes of Fitzroy River Corporation Ltd (**Fitzroy** or the **Company**) and its controlled entities (the **Consolidated Entity**). The Consolidated Entity's functional and presentation currency is AUD (\$).

A description of the Consolidated Entity's operations and of its principal activities is included in the review of operations and activities in the Directors' report. The Directors' Report is not part of the Financial Report.

## DIRECTORS

Malcolm McComas – Non-Executive Chair

Susan Thomas – Non-Executive Director

Cameron Manifold – Non-Executive Director

## COMPANY SECRETARY

Brendon Morton

## REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

79 Careniup Avenue  
GWELUP WA 6018  
Website: [www.fitzroyriver.net.au](http://www.fitzroyriver.net.au)

## SHARE REGISTRY

Boardroom Pty Ltd  
Level 12, 225 George Street  
SYDNEY NSW 2000

## AUDITORS

RSM Australia Partners  
Level 21, Collins Street  
Melbourne VIC 3000

## BANKERS

National Australia Bank  
197 St George's Terrace  
PERTH WA 6000

## STOCK EXCHANGE

Australian Securities Exchange Limited  
Level 40, Central Park  
152-158 St George's Terrace  
PERTH WA 6000  
ASX Code: **FZR**

# CHAIR'S LETTER

---

Dear Shareholders,

The 2022 financial year results are a material improvement on FY2021 due to sustained improvements in oil and gas prices that saw royalty income up 87% to \$1.291m generating a profit after tax of \$851k, a 10 fold increase on FY21. The total comprehensive income of \$1.447m included a gain on revaluation of equity investments of \$596k. Royalty income was the highest achieved in the last 5 years and reflects a material increase in royalty payments from the Weeks Royalty.

The operating costs of running the business were reduced again during the year to \$392k (FY21: \$443k). Net cash flow from operating activities was significantly higher at \$709k when compared to net cash used in FY21 of \$114k. We ended the year with a cash balance of \$1.273m, total current assets of \$1.794m, nominal current liabilities of \$36k and we are debt free. Our consolidated balance sheet shows net assets of \$7.679m, an increase of 23% over FY21: \$6.232m.

Fitzroy's royalty portfolio comprises two income producing royalties being the mature Weeks Royalty and early revenues from the Buru Energy Royalty, together with various pre-production gas and mineral royalties, the two most significant of which are:

- The Bowden's silver-lead-zinc project near Mudgee NSW being developed by Silver Mines Limited (ASX:SVL); and
- The Blackwater Gold Project (also known as the Snowy River Gold Mine) near Reefton in the South Island of New Zealand being developed by Federation Mining Pty Ltd, an unlisted private company.

Fitzroy's portfolio of royalties and investments in oil and gas production includes exposure to:

- Bass Strait (VIC) through a 1.0% interest in the Weeks Royalty;
- Canning Basin (WA) through the Canning Basin and Lennard Shelf Royalty Deeds;
- Gulf of Mexico (USA) through an equity investment in Byron Energy (ASX:BYE); and
- North Sea (UK) through an equity investment in Spark.

Looking forward, we continue to monitor development of our pre-production assets and continued exploration activity by Buru Energy which if successful could produce a near term increase in royalty income. We continue to expect that our portfolio of assets will generate substantial returns for shareholders compared to the current share price over the medium term.

I thank colleagues Susan Thomas and Cameron Manifold for their work on your behalf and our company secretary Brendon Morton. I also thank you, our shareholders, for your continued interest and support.

Yours sincerely,



**Malcolm McComas**

# DIRECTORS' REPORT

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 year ended 30 June 2022.

## DIRECTORS

The following persons were directors of Fitzroy River Corporation Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

NAME	ROLE
Malcolm McComas	Non-Executive Chair
Susan Thomas	Non-Executive Director
Cameron Manifold	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 and equity investments. The Consolidated Entity's focus is on a number of areas including but not limited to:

- Bass Strait through a 1% interest in the Weeks Royalty;
- The Canning Superbasin in Western Australia through interests in the Canning Basin and Lennard Shelf Royalty Deeds with Buru Energy Limited (ASX:BRU) and Black Mountain Energy Limited (ASX:BME);
- The Gulf of Mexico, through an investment in Byron Energy Limited (ASX:BYE);
- A right to a royalty over several exploration permits known as Blackwater Gold Project (Snowy River Gold Mine) located near Reefton on the South Island in New Zealand being developed by Federation Mining Pty Ltd. The royalty is subject to an option to buy back the royalty (in respect of the area which was previously EP 40542) which is exercisable at any time until a decision to mine;
- A right to a royalty over the Bowden's Silver Mine in NSW being developed by Silver Mines Limited (ASX:SVL); and
- The UK North Sea through an investment in an unlisted entity Spark New Energies Limited (formerly 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 and gas sales by third parties and the receipt of dividends, if any, from its investments.

There were no significant changes in the nature of the activities of the Consolidated Entity during the year.

## DIVIDENDS

There were no dividends paid, recommended or proposed during the year (2021: Nil).

## REVIEW OF OPERATIONS

The Consolidated Statement of Profit or Loss and other Comprehensive Income shows a net loss from continuing operations attributable to owners of \$851,013 for the financial year ended 30 June 2022 (2021: \$83,581).

The most significant activity during the financial year to 30 June 2022 was the royalty income generated from the Canning Basin L20 royalty and the Gippsland Basin Weeks Royalty.

During the year, the Company recorded revenue of \$291,653 from the Canning Basin Royalty and \$999,439 from the Weeks Royalty.

During the year, the Company settled the remaining liability with respect to the acquisition of Royalco Resources Limited.

# DIRECTORS' REPORT

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

## MATTERS SUBSEQUENT TO THE END OF THE PERIOD

On 19 September 2022, Buru Energy Limited (Buru) announced that Origin Energy had provided notices of its intent to divest its upstream exploration interests, which is presumed to include its joint venture interest with Buru in the Canning Basin.

No other matter or circumstance has arisen since 30 June 2022 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.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Information on likely developments in the operations of the Consolidated Entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Consolidated Entity.

## ENVIRONMENTAL REGULATION

The Consolidated Entity is not subject to any significant environmental regulation under Australian Commonwealth or State law. As at the date of this report, the Consolidated Entity is not aware of any significant breaches of those environmental requirements.

## INFORMATION ON DIRECTORS

<b>MALCOLM McCOMAS</b>	<b>NON-EXECUTIVE CHAIR</b>
Qualifications	BEC, LLB (Monash), SFFin, FAIDC
Appointed	26 November 2012
Experience	Mr McComas has extensive experience as a company director and was a former investment banker for 25 years during which time he held leadership roles with County NatWest (now CitiGroup) and Grant Samuel.
Interest in Shares and Options	2,105,814 ordinary shares
Current directorships	Chair of Pharmaxis Limited (ASX:PXS), Actinogen Medical Limited (ASX:ACW) and Core Lithium Limited (ASX:CXO)
Former directorships held in past three years	Royalco Resources Limited (ASX: RCO); and Saunders International Limited (ASX: SND)
<b>SUSAN THOMAS</b>	<b>NON-EXECUTIVE DIRECTOR</b>
Qualifications	B Comm, LLB (UNSW)
Appointed	26 November 2012
Experience	Mrs Thomas has expertise in technology and law in the financial services industry. Ms Thomas founded and was Managing Director of FlexiPlan Australia, an investment administration platform sold to MLC under the MLC/NAB.
Interest in Shares and Options	28,912,441 ordinary shares
Current directorships	Temple and Webster Limited (ASX:TPW), Nuix Limited (ASX:NXL), Cash Converters Limited (ASX:CCV) and Maggie Beer Holdings Ltd (ASX:MBH).
Former directorships held in past three years	Alexium International Group Limited (ASX:AJX) and Royalco Resources Limited (ASX:RCO).

# DIRECTORS' REPORT

CAMERON MANIFOLD	NON-EXECUTIVE DIRECTOR
Appointed	14 April 2021
Experience	Cameron Manifold is an oil and gas industry professional with over 35 years Industry experience who has worked in a wide range of regions and sectors. Cameron has established and run successful consultancies and E&P Companies and is currently Operations and HSE Director for Spark New Energies, a private E&P company with interests West of Shetland in the North Sea. Cameron has previously served as non-executive Director for Zeta Petroleum. More recently Cameron was Well Engineering Manager for Buru Energy Limited and for Dampier Bunbury Pipeline (now AGIG) on the Tubridgi gas storage project.
Interest in Shares and Options	Nil.
Current directorships	Nil.
Former directorships held in past three years	Nil.

Other current directorships quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Former directorships (last 3 years) quoted above are directorships held in the last 3 years for entities that are or were previously listed and excludes directorships of all other types of entities, unless otherwise stated.

## DIRECTORS' MEETINGS

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the period are:

DIRECTOR	NUMBER OF MEETINGS DIRECTOR ELIGIBLE TO ATTEND	NUMBER OF MEETINGS DIRECTOR ATTENDED
Malcolm McComas	4	4
Susan Thomas	4	4
Cameron Manifold	4	4

## COMPANY SECRETARY

Brendon Morton was appointed as Company Secretary and Chief Financial Officer of the Company on 3 March 2022. Mr Morton holds a Bachelor of Business Degree and is a member of both the Institute of Chartered Accountants Australia (ICAA) and the Governance Institute of Australia (GIA). Mr Morton has previously held Company Secretarial and Chief Financial Officer roles with both ASX listed and unlisted public and private companies.

## FINANCIAL POSITION

The net assets of the Consolidated Entity have increased to \$7,679,353 (2021: \$6,232,001). The Consolidated Entity's working capital, being current assets less current liabilities was \$1,758,919 at 30 June 2022 (2021: \$728,430).

## UNISSUED SHARES UNDER OPTION

There were no ordinary shares of Fitzroy River Corporation Ltd issued on the exercise of options during the year ended 30 June 2022 and up to the date of this report.

# DIRECTORS' REPORT

---

## INDEMNITY AND INSURANCE OF OFFICERS

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

## INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

## PROCEEDINGS ON BEHALF OF THE CONSOLIDATED ENTITY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of any company in the Consolidated Entity, or to intervene in any proceedings to which any company in the Consolidated Entity is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

## NON-AUDIT SERVICES

The Consolidated Entity may decide to employ its auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Consolidated Entity is important.

During the year there were no fees paid or payable for non-audit services provided by the auditor of the Consolidated Entity (2021: nil).

## 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 on the page following this Directors' Report.

# DIRECTORS' REPORT – REMUNERATION REPORT

## REMUNERATION REPORT - AUDITED

The remuneration report details the key management personnel remuneration arrangements for the Consolidated Entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The information provided in this remuneration has been audited as required by section 308(3C) of the Corporations Act 2001.

The remuneration report is set out under the following main headings:

- (a) Key management personnel (KMP) covered in this report
- (b) Principles used to determine the nature and amount of remuneration
- (c) Details of remuneration
- (d) Service agreements
- (e) Share-based compensation
- (f) Additional information
- (g) Additional disclosures relating to key management personnel

### (a) Key management personnel (KMP) covered in this report

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors. Key management personnel covered in this report are as follows:

NAME	POSITION
Malcolm McComas	Non-Executive Chair
Susan Thomas	Non-Executive Director
Cameron Manifold	Non-Executive Director
Justin Clyne	Non-Executive Director (resigned 14 April 2021)

The Consolidated Entity does not have any employees. Non-executive directors are expected to assist with the Company's affairs from time to time on an as required basis, performing extra or special services on discrete matters, and under the overall supervision of the full board of directors. Their appointment letters reflect this.

### (b) Principles used to determine the nature and amount of remuneration

The principles of the Company's executive strategy and supporting incentive programs and frameworks are to:

- Align rewards to business outcomes that deliver value to shareholders;
- Drive a high-performance culture by setting challenging objectives and rewarding high performing individuals; and
- Ensure remuneration is competitive in the relevant employment market place to support the attraction, motivation and retention of executive talent.

The remuneration structure that has been adopted by the Company involves paying relatively low board fees, with the expectation that if additional executive work is required from the directors, that the board member will be paid fees for such additional work. During the year, no bonuses, options or incentives were paid.

The Board assesses the appropriateness of the nature and amount of remuneration on a periodic basis by reference to recent market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board.

# DIRECTORS' REPORT – REMUNERATION REPORT

From 1 January 2018, fees for non-executive directors are \$10,000 per quarter (plus GST) and from 1 January 2022 \$10,000 per quarter (plus GST) for the Chair. An aggregate limit of \$300,000 in directors' fees for the purposes of clause 7.5 of the constitution was set by shareholders in 2006. This limit does not include fees for company secretarial services f.

## *Consolidated Entity's performance and link to remuneration*

The Consolidated Entity does not have any employees. Board fees are a fixed annual amount and not linked to the performance of the Consolidated Entity. Refer to the section 'Additional information' below for details of the earnings and total shareholders' return for the last five years.

## *Use of remuneration consultants*

The Company has not engaged remuneration consultants.

## *Voting and comments made at the Company's 16 November 2021 Annual General Meeting (AGM)*

The Company received 99.10% of votes cast in favour of the resolution to adopt the Company's remuneration report for the year ended 30 June 2021. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

## **(c) Details of remuneration**

### *Amounts of remuneration*

Details of the remuneration of key management personnel of the Consolidated Entity are set out in the following tables.

		CASH SALARY AND FEES	CASH BONUS	NON- MONETARY	SUPER- ANNUATION	LONG SERVICE LEAVE	EQUITY- SETTLED	TOTAL
		\$	\$	\$	\$	\$	\$	\$
<b>Non-Executive Directors</b>								
M. McComas	2022	50,000	-	-	-	-	-	50,000
	2021	60,000	-	-	-	-	-	60,000
S. Thomas	2022	40,000	-	-	-	-	-	40,000
	2021	40,000	-	-	-	-	-	40,000
C. Manifold <sup>2</sup>	2022	40,000	-	-	-	-	-	40,000
	2021	8,615	-	-	-	-	-	8,615
J. Clyne <sup>1</sup> (to 14-Apr-21)	2022	-	-	-	-	-	-	-
	2021	63,111	-	-	-	-	-	8,615
<b>Total</b>	<b>2022</b>	<b>130,000</b>	-	-	-	-	-	<b>130,000</b>
	<b>2021</b>	<b>171,726</b>	-	-	-	-	-	<b>171,726</b>

<sup>1</sup> Fees paid during the year to Justin Clyne include company secretarial fees of \$31,556. After his resignation as a director on 14 April 2021, Mr Clyne continued to act as a Joint Company Secretary until 10 May 2022. All fees relating to company secretarial services provided after his resignation as a director are not included above because he no longer met the definition of key management personnel.

<sup>2</sup> Appointed as a non-executive director on 14 April 2021.

# DIRECTORS' REPORT – REMUNERATION REPORT

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	FIXED REMUNERATION		AT RISK: STI		AT RISK: LTI	
	2022	2021	2022	2021	2022	2021
<b>Non-Executive Directors</b>						
M. McComas	100%	100%	-	-	-	-
S. Thomas	100%	100%	-	-	-	-
C. Manifold	100%	100%	-	-	-	-
J. Clyne	-	100%	-	-	-	-

## (d) Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

NAME	M. McCOMAS	S. THOMAS	C. MANIFOLD
Title:	Non-Executive Chair	Non-Executive Director	Non-Executive Director
Term of agreement:	Re-election every 3 years with 1 month notice period	Re-election every 3 years with 1 month notice period	Re-election every 3 years with 3 month notice period
Details:	Base fee \$40,000 (from 1 January 2022)	Base fee \$40,000 (from 1 January 2018)	Base fee \$40,000 (from 14 April 2021)

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

## (e) Share-based compensation

### Shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2022.

### Options

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2022.

There were no options over ordinary shares granted to or vested to directors and other key management personnel as part of compensation during the year ended 30 June 2022.

## (f) Additional information

The Consolidated Entity's summary key performance information, including earnings and movement in shareholder wealth for the five (5) years to 30 June 2022 is included below:

	30 JUNE 2022	30 JUNE 2021	30 JUNE 2020	30 JUNE 2019	30 JUNE 2018
Net profit/(loss) after tax	851,013	83,581	(5,830,774)	(430,510)	480,123
Share price at end of year	0.13	0.15	0.14	0.19	0.26
Basic earnings/(loss) per share (cents)	0.79	0.09	(6.75)	(0.50)	0.54

# DIRECTORS' REPORT – REMUNERATION REPORT

## (g) Additional disclosures relating to key management personnel

### Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

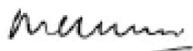
ORDINARY SHARES					
	Balance at the start of the year	Received as compensation	Additions	Disposals/ other	Balance at the end of the year
Malcolm McComas	1,355,814	-	750,000	-	2,105,814
Susan Thomas	25,673,814	-	3,238,627	-	28,912,441
Cameron Manifold	-	-	-	-	-
<b>Total</b>	<b>27,029,628</b>	<b>-</b>	<b>3,988,627</b>	<b>-</b>	<b>31,018,255</b>

### Loans

There were no loans made during the year to any key management personnel.

### This is the end of the Remuneration Report.

This report of Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of Directors.



Malcolm McComas  
Non-Executive Chair

30 September 2022  
Perth, Western Australia

# AUDITORS' INDEPENDENCE DECLARATION



## RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000  
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000

F +61 (0) 3 9286 8199

[www.rsm.com.au](http://www.rsm.com.au)

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Fitzroy River Corporation Ltd for the year ended 30 June 2022, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

## RSM AUSTRALIA PARTNERS

**R J MORILLO MALDONADO**  
Partner

Melbourne, VIC

Dated: 30 September 2022

## THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

		2022	2021
	Note	\$	\$
<b>Revenue from continuing operations</b>			
Royalty income	4	1,291,092	691,157
Other income	5	1,131	499,107
<b>Expenses</b>			
Professional and consultancy fees		(84,929)	(119,385)
Directors and company secretarial fees		(184,583)	(183,832)
Fair value loss on warrants over unlisted equity securities		-	(55,000)
Amortisation of royalty rights	11	(295,356)	(295,354)
Administration expenses		(122,727)	(139,829)
Finance costs		-	(188,219)
Profit before income tax benefit/(expense)		<b>604,628</b>	<b>208,645</b>
Income tax benefit/(expense)	6	246,385	(125,064)
<b>Profit after income tax benefit/(expense) for the year attributable to the owners of Fitzroy River Corporation Ltd</b>		<b>851,013</b>	<b>83,581</b>
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain/(loss) on revaluation of equity instruments at fair value through other comprehensive income, net of tax	10	596,340	(291,812)
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>596,340</b>	<b>(291,812)</b>
<b>Total comprehensive income/(loss) for the year attributable to the owners of Fitzroy River Corporation Ltd</b>		<b>1,447,353</b>	<b>(208,231)</b>
Loss per share attributable to ordinary equity holders			
Basic earnings per share (cents per share)	7	0.79	0.09
Diluted earnings per share (cents per share)	7	0.79	0.09

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

# CONSOLIDATED BALANCE SHEET

FOR THE YEAR ENDED 30 JUNE 2022

		2022	2021
	Note	\$	\$
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	8	1,273,367	474,369
Trade and other receivables	9	493,721	287,361
Prepayments		27,729	35,979
<b>Total current assets</b>		<b>1,794,817</b>	<b>797,709</b>
Non-current assets			
Financial assets at fair value through other comprehensive income	10	2,695,145	1,982,926
Intangibles	11	3,225,289	3,520,645
<b>Total non-current assets</b>		<b>5,920,434</b>	<b>5,503,571</b>
<b>TOTAL ASSETS</b>		<b>7,715,251</b>	<b>6,301,280</b>
<b>LIABILITIES</b>			
Current liabilities			
Trade and other payables	12	35,897	28,219
Other	13	-	41,060
<b>Total current liabilities</b>		<b>35,897</b>	<b>69,279</b>
Non-current liabilities			
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>35,897</b>	<b>69,279</b>
<b>Net assets</b>		<b>7,679,354</b>	<b>6,232,001</b>
<b>EQUITY</b>			
Issued capital	14	43,785,284	43,785,284
Reserves	15	775,918	179,578
Accumulated losses		(36,881,848)	(37,732,861)
<b>TOTAL EQUITY</b>		<b>7,679,354</b>	<b>6,232,001</b>

The above consolidated statement of financial position is to be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	Issued capital \$	Reserves \$	Accumulated losses \$	Total \$
<b>Balance at 1 July 2020</b>	<b>41,377,546</b>	<b>471,390</b>	<b>(37,816,442)</b>	<b>4,032,494</b>
Profit after income tax expense for the year	-	-	83,581	83,581
Other comprehensive loss for the year, net of tax	-	(291,812)	-	(291,812)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(291,812)</b>	<b>83,581</b>	<b>(208,231)</b>
<i>Transactions with owners, directly recorded in equity:</i>				
Issue of ordinary shares, net of costs (note 15)	2,407,738	-	-	2,407,738
<b>Balance at 30 June 2021</b>	<b>43,785,284</b>	<b>179,578</b>	<b>(37,732,861)</b>	<b>6,232,001</b>
	Issued capital \$	Reserves \$	Accumulated losses \$	Total \$
<b>Balance at 1 July 2021</b>	<b>43,785,284</b>	<b>179,578</b>	<b>(37,732,861)</b>	<b>6,232,001</b>
Profit after income tax benefit for the year	-	-	851,013	851,013
Other comprehensive income for the year, net of tax	-	596,340	-	596,340
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>596,340</b>	<b>851,013</b>	<b>1,447,351</b>
<b>Balance at 30 June 2022</b>	<b>43,785,284</b>	<b>775,918</b>	<b>(36,881,848)</b>	<b>7,679,354</b>

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

		2022	2021
	Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Royalties received		1,090,486	583,786
Interest received		1,131	1,225
Interest and other finance costs		-	(216,986)
Payments to suppliers and directors		(382,067)	(482,590)
<b>Net cash flows from/(used) in operating activities</b>	23	<b>709,550</b>	<b>(114,585)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for Royalco Resources Limited		(41,060)	(77,431)
Proceeds from disposal of investments		130,508	1,135,789
<b>Net cash flows from investing activities</b>		<b>89,448</b>	<b>1,058,358</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares and options	14	-	2,590,882
Share issue transaction costs	14	-	(183,144)
Repayment of borrowings		-	(3,500,000)
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>(1,092,262)</b>
Cash and cash equivalents at beginning of the year		474,369	622,858
Net increase/(decrease) in cash and cash equivalents		798,998	(148,489)
<b>Cash and cash equivalents at end of the year</b>	8	<b>1,273,367</b>	<b>474,369</b>

The above consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

---

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below.

These policies have been consistently applied to the period presented, unless otherwise stated. These financial statements are for the consolidated Group consisting of Fitzroy River Corporation Ltd and its subsidiaries, together referred to as Fitzroy or the Consolidated Entity.

The following Accounting Standards and Interpretations are most relevant to the Consolidated Entity:

### (a) New or amended Accounting Standards and Interpretations adopted

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

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

The following standard is most relevant to the Consolidated Entity:

#### *Conceptual Framework for Financial Reporting (Conceptual Framework)*

The Consolidated Entity has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

### (b) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001 (Cth)*.

Fitzroy River Corporation Ltd is a listed public company, incorporated and domiciled in Australia. Fitzroy River Corporation Ltd is a for-profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

#### *Historical cost convention*

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

### (c) Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in Note 24.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

---

## (d) Principles of consolidation

### *Subsidiaries*

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Fitzroy River Corporation Ltd (**"the Company"** or **"the Parent Entity"**) as at 30 June 2022 and the results of all subsidiaries for the period then ended. Fitzroy River Corporation Ltd and its subsidiaries together are referred to in this financial report as **"the Consolidated Entity"** or **"the Consolidated Entity"**.

Subsidiaries are all entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Consolidated Entity.

Intercompany transactions, intercompany balances and unrealised gains on transactions between Consolidated Entity companies are eliminated. Unrealised losses are also eliminated unless the transaction proves evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

## (e) Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM are responsible for the allocation of resources to operating segments and assessing their performance.

## (f) Foreign currency translation

The financial statements are presented in Australian dollars, which is Fitzroy River Corporation Ltd's functional and presentation currency.

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

## (g) Revenue recognition

The Consolidated Entity recognises revenue as follows:

### *Royalty revenue*

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided this it is probable the economic benefits will flow to the group and the amount can be reliably measured). Royalties determined on a time basis are recognised on a straight-line basis over the period of the agreement. Royalty agreements that are based on production, sales and other measures, are recognised by reference to the underlying agreement.

### *Interest*

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

### *Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## (h) Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amounts of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Fitzroy River Corporation Ltd (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

## (i) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## **(j) Cash and cash equivalents**

For cashflow statement presentation, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in rate and bank overdrafts.

## **(k) Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Consolidated Entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been consolidated based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

## **(l) Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

### ***Financial assets at fair value through other comprehensive income***

Financial assets at fair value through other comprehensive income include equity investments which the Company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

### ***Financial assets at amortised cost***

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

### ***Financial assets at fair value through profit or loss***

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

### ***Impairment of financial assets***

The Consolidated Entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

## **(m) Intangible assets**

Intangible assets acquired as part of an asset acquisition, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

---

## *Royalty rights*

Royalty rights acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

## **(n) Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are consolidated together to form a cash-generating unit.

## **(o) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

## **(p) Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

## **(q) Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either in the principal market, or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

## **(r) Issued capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## (s) Earnings per share

### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Fitzroy River Corporation Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

### *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

## (t) Goods and Services Tax (GST)

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

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

## (u) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Consolidated Entity for the annual reporting period ended 30 June 2022. The Consolidated Entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

## 2. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

### *COVID-19 pandemic*

The global economy has continued to be affected by the global COVID-19 pandemic during the current-financial year. Many countries have required entities to limit or suspend business operations and have also implemented travel restrictions and quarantine measures. Monetary and fiscal stimulus packages have also been introduced in some countries. As the COVID-19 outbreak continues to evolve, the estimated financial impact cannot be fully determined at this time. The impact which COVID-19 has had on the Consolidated Entity is set out below.

The pandemic has had a significant impact on oil and gas commodity prices which have had a significant impact on the Consolidated Entity's financial performance during the current year. In the prior financial year the Consolidated Entity recognised a significant impairment in relation to its intangible assets, revaluation losses through other comprehensive income in relation to its financial assets and a fair value loss to derivative financial instruments.

During the current financial year the Consolidated Entity's royalty income has increased. The Board have reviewed the carrying values of all intangibles and financial assets. There have been no further impairments, revaluation losses or financial losses incurred that can be attributed to the pandemic.

The impact of COVID-19 on the Consolidated Entity's corporate operations has not been material due to the scale and nature of operations. The Consolidated Entity has not received any government support or stimulus.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## *Estimation of useful lives of assets*

The Consolidated Entity determines the estimated useful lives and related amortisation charges for its finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

## *Recovery of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. A net deferred tax asset has not been recognised in the current period because its realisation of the Consolidated Entity's tax losses has not been deemed probable.

## Investment in Spark New Energies Limited ("Spark")

Spark is an unlisted public company. During the current year the board have determined the fair value of the investment with reference to estimated net present value of future cash flows from each project held by Spark, adjusted by:

- Spark's holding in each project;
- an estimate of each project likelihood of geological and commercial success; and
- the Consolidated Entity's holding in Spark.

The above fair value approach is categorised as a Level 3 hierarchy, based on the lowest level of input that is significant to the entire fair value measurement (refer to Note 17(d))

## Weeks royalty carrying value

The Board reviewed the Weeks royalty asset in the current year in the context of the on-going Covid-19 pandemic and the escalation of military activity in the Ukraine, and were satisfied that there were no indicators of impairment as at 30 June 2022. This assessment has included an assessment of revenue levels, commodity prices and the oil and gas industry generally (refer to Note 11).

## 3. 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. As the results are the same as the Consolidated Entity they have not been repeated.

## 4. ROYALTY INCOME

	2022	2021
	\$	\$
Royalty income	1,291,092	691,157
<i>Disaggregation of income</i>		
The disaggregation of revenue from contracts with customers is as follows:		
<b>Royalty Income</b>		
<i>Geographical regions</i>		
Australia	1,291,092	691,157
<i>Timing of revenue recognition</i>		
Recognised over time	1,291,092	691,157

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5. OTHER INCOME

	2022	2021
	\$	\$
Interest income	1,131	1,225
Gain on receipt of shares for nil consideration <sup>1</sup>	-	497,882
	<b>1,131</b>	<b>499,107</b>

<sup>1</sup> - During the prior financial year the Consolidated Entity received a further 3,354,472 fully paid ordinary shares for nil consideration in the unlisted company, Spark New Energies Limited (formerly Spark Exploration Pty Ltd). This was done as a two for one share issue to non-founder investors and saw the Consolidated Entity's investment stake in Spark New Energies Limited (formerly Spark Exploration Pty Ltd) increased from 1.43% to 3.09%. The resultant increase in value has been recognised in other income. Refer to Note 10.

## 6. INCOME TAX (BENEFIT)/EXPENSE

	2022	2021
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at statutory rate:</i>		
Profit before income tax (benefit)/expense	604,628	208,645
Tax at the statutory rate of 30%	181,388	62,594
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
- Effect of timing and permanent differences	(174,265)	(305,779)
- Tax losses not recognised		368,249
- Recognition of prior year losses not brought into account	(253,508)	-
<b>Income tax (benefit)/expense</b>	<b>(246,385)</b>	<b>125,064</b>
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	7,254,340	7,278,000
<b>Potential tax benefit @ 30%</b>	<b>2,176,302</b>	<b>2,183,400</b>

A deferred tax asset has not been recognised during the current year, based on the directors' assessment that sufficient future taxable profits are not probable.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2022	2021
	\$	\$
<i>Deferred tax asset</i>		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
- Tax losses	2,176,302	2,183,000
- Borrowings costs	14,409	20,490
- Royalty rights	885,394	982,085
- Accrual and other payables	6,900	7,350
- Blackhole expenditure	33,444	46,031
- Set off against deferred tax liability	(448,829)	(149,863)
- Deferred tax not recognised as realisation not probable	(2,694,984)	(3,122,373)
- Prepayments	27,364	33,280
<b>Deferred tax asset</b>	<b>-</b>	<b>-</b>

	2022	2021
	\$	\$
<i>Deferred tax liability</i>		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
- Equity security at fair value	312,999	74,215)
- Accrued royalty receivable	135,830	75,648
- Set off against deferred tax asset	(448,829)	(149,863)
<b>Deferred tax liability</b>	<b>-</b>	<b>-</b>

## 7. EARNINGS PER SHARE

Basic earnings per share (EPS) amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

BASIC AND DILUTED EARNINGS PER SHARE	2022	2021
	cents	cents
Basic earnings per share	0.79	0.09
Diluted earnings per share	0.79	0.09

PROFIT/(LOSS)	2022	2021
	\$	\$
<i>Profit used in the calculation of basic and diluted earnings per share is as follows:</i>		
Profit after income tax attributable to the owners of Fitzroy River Corporation Ltd	851,013	83,581

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	2022	2021
	No.	No.
Weighted average number of ordinary shares used in calculating basic EPS	107,954,251	92,869,753
Weighted average number of ordinary shares used in calculating diluted EPS	107,954,251	92,869,753

## 8. CASH AND CASH EQUIVALENTS

	2022	2021
	\$	\$
<b>Current</b>		
Cash at bank and in hand	1,273,367	474,369

## 9. TRADE AND OTHER RECEIVABLES

	2022	2021
	\$	\$
<b>Current</b>		
Accrued royalty	452,767	252,161
GST receivable	40,954	35,200
	<b>493,721</b>	<b>287,361</b>

The Consolidated Entity did not have any receivables that were past due as at 30 June 2022 (30 June 2021: Nil). The Consolidated Entity therefore did not consider a credit risk on the aggregate balances as at 30 June 2022. For more information, please refer to Note 17.

## 10. NON-CURRENT ASSETS – FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2022	2021
	\$	\$
Listed equity securities – at fair value	1,905,715	1,221,008
Unlisted equity securities – at fair value	789,430	761,918
	<b>2,695,145</b>	<b>1,982,926</b>
<i>Reconciliation</i>		
Reconciliation of the fair value at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	1,982,926	3,037,709
Additions	-	-
Disposals	(130,506)	(1,135,791)
Revaluations recognised through other comprehensive income	842,725	(416,874)
Shares received for nil consideration recognised as other income <sup>1</sup>	-	497,882
<b>Closing fair value</b>	<b>2,695,145</b>	<b>1,982,926</b>

Refer to Note 17 for further information on fair value measurement.

As stated in Note 5, during the prior financial year the Consolidated Entity received a further 3,354,472 fully paid ordinary shares for nil consideration in the unlisted company, Spark New Energies Limited (formerly Spark Exploration Pty Ltd). Refer to note 17 for details of valuation assessment performed in relation to unlisted equity investments.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 11. NON-CURRENT ASSETS – INTANGIBLES

	2022	2021
	\$	\$
Royalty rights – at cost	7,963,000	7,963,000
Less: Accumulated amortisation	(814,544)	(519,188)
Less: Impairment	(3,923,167)	(3,923,167)
	<b>3,225,289</b>	<b>3,520,645</b>

### Reconciliation

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

	ROYALTY RIGHTS	TOTAL
	\$	\$
Balance at 1 July 2020	3,815,999	3,815,999
Amortisation expense	(295,354)	(295,354)
Balance at 1 July 2021	3,520,645	3,520,645
Amortisation expense	(295,356)	(295,289)
<b>Balance at 30 June 2022</b>	<b>3,225,289</b>	<b>3,225,289</b>

## 12. TRADE AND OTHER PAYABLES

	2022	2021
	\$	\$
<b>Current</b>		
Trade payables	12,947	3,418
Other payables	22,950	24,801
	<b>35,897</b>	<b>28,219</b>

All amounts are expected to be settled within 12 months.

Refer to note 17 for further information on financial instruments.

## 13. OTHER

	2022	2021
	\$	\$
<b>Current</b>		
Consideration for Royalco Resources Ltd acquisition	-	41,060
	-	<b>41,060</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 14. ISSUED CAPITAL

	2022	2021	2022	2021
	Shares	Shares	\$	\$
Ordinary shares – fully paid	107,954,251	107,954,251	43,785,284	43,785,284

### (i) Movements in ordinary share capital

DATE	DETAILS	SHARES	ISSUE PRICE	\$
1 Jul 2021	Balance	86,363,401	-	41,377,546
25 Feb 2021	Issue of shares	9,127,866	\$0.120	1,095,324
23 Mar 2021	Issue of shares	12,462,984	\$0.120	1,495,558
	Less: cost of capital raised	-	-	(183,144)
<b>30-Jun-21</b>	<b>Balance</b>	<b>107,954,251</b>		<b>43,785,284</b>
	No movement in ordinary shares during the year			
<b>30-Jun-22</b>	<b>Closing Balance</b>	<b>107,954,251</b>		<b>43,785,284</b>

### (ii) Terms and conditions of issued capital

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote

### (iii) Capital risk management

The Consolidated Entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Consolidated Entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Consolidated Entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The Consolidated Entity is not actively pursuing additional investments in the short term. as it continues to grow its existing assets and reduce costs.

The capital risk management policy remains unchanged from the 30 June 2021 Annual Report.

## 15. RESERVES

	2022	2021
	\$	\$
Financial assets at fair value through other comprehensive income reserve	775,918	179,578
	775,918	179,578

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## *Financial assets at fair value through other comprehensive income reserve*

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

### *Movements in reserves*

Movements in each class of reserve during the current and previous financial year are set out below:

	FIN ASSETS AT FAIR VALUE	TOTAL
	\$	\$
Balance at 1 July 2020	471,390	471,390
Change in fair value, net of tax	(291,812)	(291,812)
<b>Balance at 1 July 2021</b>	<b>179,578</b>	<b>179,578</b>
Change in fair value, net of tax	596,340	773,875
<b>Balance at 30 June 2022</b>	<b>775,918</b>	<b>953,453</b>

## 16. DIVIDENDS PAID OR PROPOSED

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

## 17. FINANCIAL RISK MANAGEMENT

### Overview

This note presents information about the Consolidated Entity's exposure to credit, liquidity and market risks, the objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Consolidated Entity through regular reviews of the risks. The Consolidated Entity does not actively engage in the trading of financial assets for speculative purposes, nor does it write options. The most significant financial risks to which the Consolidated Entity is exposed are described below.

### (a) Market risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates, interest rates and equity prices will affect the Consolidated Entity's income or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

#### (i) Foreign currency risk

The Consolidated Entity is exposed to foreign currency risk in relation to its investment in Spark New Energies Limited (formerly Spark Exploration Pty Ltd) refer to note 10. The carrying amount of the Consolidated Entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	ASSETS		LIABILITIES	
	2022	2021	2022	2021
	\$	\$	\$	\$
US dollars	789,430	761,918	-	-
	789,430	761,918	-	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The below tables show the potential impact of foreign exchange movements:

2022						
	% Change	AUD strengthened effect on profit before tax	Effect on Equity	% Change	AUD weakened effect on profit before tax	Effect on Equity
US dollars	20%	(131,572)	(131,572)	20%	131,572	131,572

2021						
	% Change	AUD strengthened effect on profit before tax	Effect on Equity	% Change	AUD weakened effect on profit before tax	Effect on Equity
US dollars	20%	(152,383)	(152,383)	20%	152,383	152,383

## (ii) Price risk

The Consolidated Entity holds investments in listed and unlisted entities, and as such these are subject to varying valuations based on its current market price. During the prior financial year, the COVID-19 pandemic saw extreme volatility in equity markets and oil and gas prices which resulted in significant decline in value in relation the Consolidated Entity's investments. These markets have stabilised and strengthened during the current year, partially attributed to the conflict in the Ukraine.

The below table summarises the sensitivity of the Consolidated Entity's exposure to price risk:

2022						
	% Change	Average price increase effect on profit before tax	Effect on Equity	% Change	Average price decrease effect on profit before tax	Effect on Equity
Listed equity securities - at fair value	20%	-	381,143	20%	-	(381,143)
Unlisted equity securities - at fair value	20%	-	131,572		-	(131,572)
		-	<b>512,715</b>		-	<b>(512,715)</b>

2021						
	% Change	Average price increase effect on profit before tax	Effect on Equity	% Change	Average price decrease effect on profit before tax	Effect on Equity
Listed equity securities - at fair value	20%	-	244,201	20%	-	(244,201)
Unlisted equity securities - at fair value	20%	-	152,383		-	(152,383)
		-	<b>396,584</b>		-	<b>(396,584)</b>

## (iii) Interest rate risk

The Consolidated Entity has no interest bearing debt and is not exposed to material interest rate risk. The prior year borrowings had a fixed interest rate of 10% per annum.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## (b) Credit risk

The Consolidated Entity is not exposed to significant credit risk. It currently receives royalties from two sources, both of which have a long-established pattern of paying in full and in line with agreed terms.

## (c) Liquidity Risk

Liquidity risk is the risk that the Consolidated Entity might be unable to meet its obligations. The Consolidated Entity manages its liquidity needs by maintaining adequate cash through the monitoring of future cash flow forecasts of all its operations, which reflect management's expectations of the settlement of financial assets and liabilities.

### *Remaining contractual maturities*

The following tables detail the Consolidated Entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

30 JUNE 2022	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	12 MONTHS OR LESS	1-2 YEARS	2-5 YEARS	>5 YEARS
Trade and other payables	12,947	12,947	12,947	-	-	-
Other payables	22,951	22,951	22,951	-	-	-
<b>Total</b>	<b>35,897</b>	<b>35,897</b>	<b>35,897</b>	-	-	-

30 JUNE 2021	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	12 MONTHS OR LESS	1-2 YEARS	2-5 YEARS	>5 YEARS
Trade and other payables	3,418	3,418	3,418	-	-	-
Other payables	24,801	24,801	24,801	-	-	-
Consideration for Royalco Resources Ltd acquisition	41,060	41,060	41,060	-	-	-
<b>Total</b>	<b>69,279</b>	<b>69,279</b>	<b>69,279</b>	-	-	-

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

## (d) Fair values

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

### *Fair value hierarchy*

The following tables detail the Consolidated Entity's assets and liabilities, measured or disclosed at fair value, 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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2022	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
	\$	\$	\$	\$
<i>Assets</i>				
Listed equity securities - at fair value	1,905,715	-	-	1,905,715
Unlisted equity securities - at fair value	-	-	789,430	789,430
	<b>1,905,715</b>	<b>-</b>	<b>789,430</b>	<b>2,695,145</b>

2021	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
	\$	\$	\$	\$
<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
	<b>1,221,008</b>	<b>-</b>	<b>761,918</b>	<b>1,982,926</b>

There were no transfers between levels during the financial year.

### Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

	WARRANTS	EQUITY	TOTAL
	\$	\$	\$
Balance at 1 July 2020	55,000	371,649	426,649
Losses recognised in profit or loss	(55,000)	-	(55,000)
Losses recognised in other comprehensive loss	-	(107,613)	(107,613)
Gain on receipt of shares for nil consideration	-	497,882	497,882
<b>Balance at 1 July 2021</b>	<b>-</b>	<b>761,918</b>	<b>761,918</b>
Losses recognised in profit or loss	-	-	-
Gain recognised in other comprehensive income	-	27,512	27,512
<b>Balance at 30 June 2022</b>	<b>-</b>	<b>789,430</b>	<b>789,430</b>

Refer to note 2 for details of valuation assessment done in relation to unlisted equity investments.

The level 3 assets and liabilities unobservable inputs and sensitivity are as follows:

DESCRIPTION	UNOBSERVABLE INPUTS	% CHANGE	IMPACT
Unlisted equity securities - at fair value	Forecast Net Present Value (NPV)	10% change	A 10% change in forecast NPV would result in \$78,943 change in carrying value.
Unlisted equity securities - at fair value	Chance of geological success	10% change	A 10% change in forecast overall chance of geological success would result in a result in a \$165,780 change in value.
Unlisted equity securities - at fair value	Chance of commercial Success	2% change	A 10% change in forecast overall chance of commercial success would result in \$261,301 change in carrying value.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 18. KEY MANAGEMENT PERSONNEL

The aggregate compensation paid to directors and other members of key management personnel of the Consolidated Entity is set out below:

	2022	2021
	\$	\$
Short-term employee benefits	140,000	171,726
Post-employment long term benefits	-	-
Share based payments	-	-
<b>Total</b>	<b>140,000</b>	<b>171,726</b>

As required by Corporations Regulation 2M.3.03, information regarding individual Directors' and Executives' compensation and equity instrument disclosures is provided in the Remuneration Report section of the Directors' Report.

## 19. AUDITOR'S REMUNERATION

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the company:

	2022	2021
	\$	\$
<b>Audit Services</b>		
Amounts received or due and receivable by RSM Australia Partners		
- An audit and review of the financial reports of the Consolidated Entity (including subsidiaries)	40,700	35,500
Non-Audit Services	-	-
<b>Total</b>	<b>40,700</b>	<b>35,500</b>

## 20. CONTINGENT LIABILITIES

The Consolidated Entity had no contingent liabilities at 30 June 2022 and 30 June 2021.

## 21. RELATED PARTY TRANSACTIONS

### (a) Parent entities

Fitzroy River Corporation Ltd is the ultimate Australian parent entity.

### (b) Subsidiaries

The consolidated financial statements include the financial statements of Fitzroy River Corporation Ltd and the subsidiaries listed in the following table.

NAME	2022		2021		Principal Activity
	Country of Incorporation	% Equity Interest	Country of Incorporation	% Equity Interest	
Royalco Resources Pty Ltd	Australia	100	Australia	100	Operating subsidiary
Ginto Minerals Pty Ltd	Australia	100	Australia	100	Dormant
Royalco Resources (No1) Pty Ltd	Australia	100	Australia	100	Dormant

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## (c) Loans to/from related parties

There were no loans to or from key management personnel outstanding at 30 June 2022 (2021: nil).

## (d) Other transactions and balances with related parties

There were no other transactions and outstanding balances with key management personnel for the year ended 30 June 2022 that are not already included in the Remuneration Report contained in the Directors' Report.

During the previous financial year, underwriting fees were paid to Sue Thomas (\$12,825) and Malcolm McComas (\$3,300).

There were no other transactions and outstanding balances with other related parties for the year ended 30 June 2022.

## 22. EVENTS AFTER THE REPORTING DATE

On 19 September 2022, Buru Energy Limited (Buru) announced that Origin Energy had provided notices of its intent to divest its upstream exploration interests, which is presumed to include its joint venture interest with Buru in the Canning Basin.

No other matter or circumstance has arisen since 30 June 2022 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.

## 23. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH USED IN OPERATING ACTIVITIES

	2022	2021
	\$	\$
Profit after income tax expense for the year	851,013	83,581
Adjustments for:		
Depreciation and amortisation	295,356	295,354
Income tax expense/(benefit)	(246,385)	125,064
Fair value loss on warrants over unlisted equity securities	-	55,000
Gain on receipt of shares for nil consideration	-	(497,882)
<i>Change in operating assets and liabilities:</i>		
Increase in trade and other receivables	(198,112)	(106,967)
Increase in other operating assets	-	(6,151)
Increase/(decrease) in trade and other payables	7,678	(62,584)
<b>Net cash from/(used in) operating activities</b>	<b>709,550</b>	<b>(114,585)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 24. PARENT ENTITY INFORMATION

The following details information related to the parent entity, Fitzroy River Corporation Ltd, as at 30 June 2022. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	2022	2021
	\$	\$
Current assets	848,734	574,776
Non-current assets	10,012,783	8,354,319
<b>Total assets</b>	<b>10,861,517</b>	<b>8,929,095</b>
Current liabilities	3,182,164	2,938,306
Non-current liabilities	-	-
<b>Total liabilities</b>	<b>3,182,164</b>	<b>2,938,306</b>
<b>Net assets</b>	<b>7,679,353</b>	<b>5,990,789</b>
Contributed equity	43,785,284	43,785,284
Reserves	775,917	179,578
Accumulated losses	(36,881,848)	(37,974,073)
<b>Total equity</b>	<b>7,679,353</b>	<b>5,990,789</b>
Profit/(loss) after income tax	<b>1,092,225</b>	<b>(156,931)</b>
Other comprehensive income/ (loss) for the period	-	-
<b>Total comprehensive income (loss) for the period</b>	<b>1,092,225</b>	<b>(156,931)</b>

### *Commitments*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

### *Guarantees*

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2022 and 30 June 2021.

### *Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

### *Significant accounting policies*

The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

# DIRECTORS' DECLARATION

---

In the Directors' opinion:

- (a) The financial statements and notes are in accordance with the Corporations Act 2001, and:
- (i) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
  - (ii) give a true and fair view of the financial position as at 30 June 2022 and of the performance for the period ended on that date of the Consolidated Entity; and
  - (iii) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in Note 1 to the financial statements.
- (b) There are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations as required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by;



.....  
Malcolm McComas  
Non-Executive Chair

30 September 2022  
Perth, Western Australia

# INDEPENDENT AUDITOR'S REPORT



## RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000  
PO Box 248 Collins Street West VIC 8007

T +61(0) 3 9286 8000

F +61(0) 3 9286 8199

[www.rsm.com.au](http://www.rsm.com.au)

## INDEPENDENT AUDITOR'S REPORT

To the Members of Fitzroy River Corporation Ltd

### Opinion

We have audited the financial report of Fitzroy River Corporation Ltd (the 'Company') and its subsidiaries (together the 'Consolidated entity'), which comprises the statement of financial position as at 30 June 2022, 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 Consolidated entity is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Consolidated entity's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards 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 Consolidated entity 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.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

THE POWER OF BEING UNDERSTOOD  
AUDIT | TAX | CONSULTING

Page 1 of 4

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation



# INDEPENDENT AUDITOR'S REPORT



## Key Audit Matters (continued)

Key Audit Matter	How our audit addressed this matter
<p><b>Fair value of unlisted equity securities</b> Refer to Note 10 in the financial statements</p>	
<p>The Consolidated entity holds unlisted equity securities at the reporting date amounting to \$789,430, which represents the fair value of this investment determined by the directors using a valuation methodology based mainly on unobservable inputs for the investment.</p> <p>The determination of the fair value of the investment in unlisted equity securities was considered a key audit matter as it involves significant management's judgements and estimates.</p>	<p>Our audit procedures in relation to the determination of the fair value of the investment in unlisted equity securities included:</p> <ul style="list-style-type: none"> <li>• Obtaining and reviewing the valuation methodology prepared by the directors, including an evaluation of the objective of the report and the competency of the director directly involved in preparing the calculation;</li> <li>• Enquiring with management and challenging key estimates and assumptions used within the calculation;</li> <li>• Reviewing the accounting treatment adopted for the recognition of changes in fair value as well as other movements in the investment and assessing compliance with the Australian Accounting Standards; and</li> <li>• Reviewing the adequacy of the related disclosures in the notes to the financial statements.</li> </ul>
<p><b>Assessment of the carrying value of Intangible Assets</b> Refer to Note 11 in the financial statements</p>	
<p>As at 30 June 2022, the Consolidated entity's intangible asset amounts to \$3,225,289, which represents a 43% of total assets of the entity. This intangible asset relates to royalty rights on production of oil permits on the Bass Strait oil and gas fields.</p> <p>The directors performed an assessment to determine whether any impairment indicators existed on the carrying value of this intangible asset at reporting date.</p> <p>We identified this area as a Key Audit Matter due to the material amount of the Intangible asset to the Consolidated entity, and because the directors' assessment of impairment indicators of the carrying value of this asset involves significant judgements and estimates, including estimating future production levels and future commodity prices.</p>	<p>Our audit procedures in relation to the assessment of the carrying value of the intangible assets included:</p> <ul style="list-style-type: none"> <li>• Critically assessing and evaluating the adopted directors' methodology for determining the recoverable value of the Weeks royalty right prepared by their expert;</li> <li>• Obtaining an understanding of recent developments and of any adverse changes affecting the key inputs into the recoverable value calculation;</li> <li>• Reviewing the actual production levels and royalty income achieved during the year and comparing them against director's previous estimates; and</li> <li>• Comparing recent movement in oil prices and long-term oil price available market data, and then assessing the reasonableness of directors' estimates.</li> </ul>

# INDEPENDENT AUDITOR'S REPORT



## **Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Consolidated entity's annual report for the year ended 30 June 2022; but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair 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 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 ability of the Consolidated entity 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 Consolidated entity 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/admin/file/content102/c3/ar2\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf)

This description forms part of our auditor's report.

## **Report on the Remuneration Report**

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 9 to 12 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Fitzroy River Corporation Ltd, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

# INDEPENDENT AUDITOR'S REPORT

---



## **Report on the Remuneration Report (continued)**

### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink that reads "RSM".

### **RSM AUSTRALIA PARTNERS**

A handwritten signature in black ink that reads "R J Morillo Maldonado".

**R J MORILLO MALDONADO**  
Partner

Melbourne, Victoria  
Dated: 30 September 2022

# ASX ADDITIONAL INFORMATION

Additional information required by the ASX Listing Rules not disclosed elsewhere in this Annual Report is set out below.

## 1. SHAREHOLDINGS

The issued capital of the Company as at 31 August 2022 is 107,954,251 ordinary fully paid shares (details below). All issued ordinary fully paid shares carry one vote per share.

ORDINARY SHARES			
Shares Range	Holders	Units	%
1-1,000	172	0.05	53,438
1,001-5,000	206	0.53	576,772
5,001-10,000	147	1.13	1,222,309
10,001-100,000	199	6.29	6,786,922
100,001 and above	73	92.00	99,314,810
<b>Total</b>	<b>797</b>	<b>100</b>	<b>107,954,251</b>

### Unmarketable parcels

There were 113 shareholders holding an unmarketable parcel of shares at 31 August 2022 for a combined total of 9,345 shares and representing 0.87% of the shares on issue on that day.

## 2. TOP 20 SHAREHOLDERS AS AT 31 AUGUST 2022

#	NAME	NUMBER OF SHARES	%
1	Flexiplan Management Pty Ltd <Susan Thomas Super Fund A/C>	23,147,473	21.44%
2	J P Morgan Nominees Australia Pty Limited	15,556,227	14.41%
3	One Managed Invt Funds Ltd <1 A/C>	10,926,193	10.12%
4	HSBC Custody Nominees (Australia) Limited	7,581,728	7.02%
5	Norfolk Enchants Pty Ltd <Trojan Retirement Fund A/C>	7,033,897	6.52%
6	Citicorp Nominees Pty Limited	3,993,541	3.70%
7	JH Nominees Australia Pty Ltd <Harry Family Super Fund A/C>	3,981,733	3.69%
8	Flexiplan Management Pty Ltd <Susan Thomas PSF A/C>	3,238,627	3.00%
9	AMK Investments (WA) Pty Ltd <The AMK A/C>	2,426,341	2.25%
10	Bunyula Super Pty Ltd <Bunyula Super Fund A/C>	1,834,270	1.70%
11	Sir Ron Brierley	1,441,480	1.34%
12	BNP Paribas Noms Pty Ltd <DRP>	958,136	0.89%
13	Mr Kenneth Bruce Willimott	774,800	0.72%
14	Mr Russell Bath Mrs Dianne Bath	750,000	0.69%
15	Mrs Suzanne Ferrier <Ferrier Family A/C>	713,867	0.66%
16	Angreal Pty Ltd <The Folded Light A/C>	625,000	0.58%
17	BNP Paribas Nominees Pty Ltd ACF Clearstream	590,025	0.55%
18	BNP Paribas Nominees Pty Ltd <IB Au Noms Retailclient DRP>	567,013	0.53%
19	Check-Kian Low	500,000	0.46%
20	Mrs Roma Marion Church & Mr Ronald Jack Church	496,828	0.46%
	<b>Total Top 20</b>	<b>87,137,179</b>	<b>80.72%</b>
	Total remaining holders balance	20,817,072	19.28%
	<b>Total</b>	<b>107,954,251</b>	<b>100.00%</b>

# ASX ADDITIONAL INFORMATION

## 3. UNQUOTED EQUITY SECURITIES

There are no unquoted equity securities.

## 4. VOTING RIGHTS

The voting rights attached to ordinary shares are set out below:

### *Ordinary shares*

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no shares subject to ASX or voluntary escrow.

There are no other classes of equity securities.

The Company is listed on the Australian Securities Exchange under the code 'FZR'.

## 5. SUBSTANTIAL SHAREHOLDERS AT 31 AUGUST 2022

The names of substantial shareholders in Fitzroy River Corporation Ltd and the number of equity securities to which each substantial shareholder and their associates have a relevant interest, as disclosed in substantial shareholder notices given to Fitzroy River Corporation Ltd, are set out below:

HOLDER	NUMBER OF SHARES HELD	% OF ISSUED CAPITAL HELD	DATE OF LAST NOTICE
Flexiplan Management Pty Ltd (Susan Thomas PSF A/C)	28,912,441	26.78%	1 March 2022
Norfolk Enchants Pty Ltd ATF Trojan Retirement Fund	11,015,630	10.20%	20 June 2022
Noontide Investments Ltd	15,456,227	14.31%	20 July 2021
Rocket Science Pty Ltd ATF The Trojan Capital Fund	11,015,630	10.20%	23 March 2021
Sandon Capital	8,740,954	10.10%	17 September 2019
Australasia Resources Limited	10,050,000	11.64%	16 October 2013

## 6. RESTRICTED SECURITIES SUBJECT TO ESCROW PERIOD

There are currently no securities on issue subject to escrow.

## 7. ON-MARKET BUYBACK

There is currently no on-market buyback program for any of Fitzroy River Corporation Ltd's listed securities.



AND ITS CONTROLLED ENTITIES

Fitzroy River

**Fitzroy River Corporation Ltd**

79 Careniup Avenue  
GWELUP WA 6018

**Email:** [enquiries@fitzroyriver.net.au](mailto:enquiries@fitzroyriver.net.au)

**Website:** [www.fitzroyriver.net.au](http://www.fitzroyriver.net.au)

**Postal Address:** 79 Careniup Avenue, GWELUP WA 6018

ABN: 75 075 760 655