Bifox Limited

ABN 61 004 287 790

Annual Financial Report

for the financial year ended
30 June 2021

Corporate Directory

Directors

Timothy Koster	Executive Director
Mark Sumner	Non-Executive Director

Company Secretary

-

Principal Office

Level 7, 92 Pitt Street
Sydney, NSW, 2000

Tel: +61 2 9236 4000
Email: tim.koster@bifox.com.au

Registered Office

Level 7, 92 Pitt Street
Sydney, NSW, 2000

Solicitors

Doorkeeper Legal
Level 7, 92 Pitt Street
Sydney, NSW, 2000

Share Register

Advanced Share Registry Services Ltd
110 Stirling Highway
Nedlands WA 6009

Auditors

RSM Australia Partners
Level 13
60 Castlereagh Street
Sydney, NSW, 2000

Internet Address

www.bifox.com.au

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Directors' Report

The Directors present their report on the consolidated entity consisting of Bifox Limited ("Bifox" or "the Company") and the entities it controlled at the end of, or during, the financial year ended 30 June 2021 ("the Group" or "the Consolidated Entity").

Directors

The names and details of the Company's Directors in office during the financial year and until the date of this report are detailed below. The Directors were in the office for the entire period unless otherwise stated.

Timothy Koster
CEO and Executive Director
Appointed Director 26 March 2014
and CEO on 15 April 2021

Mr Koster is an investment banking and business development professional with over 30 years of experience. He has a strong track record of establishing, financing and developing investment and operational businesses. Mr Koster established Azure Water and Energy Infrastructure Fund focused on Middle East water and energy utility assets. He also established Convergence Capital, a structured finance and business development investment bank, based in Australia and the Dubai International Finance Centre. He has funded several acquisitions and divestments of mining assets in Australia and China.

Mr Koster has held no other Directorships in public listed companies in the last three years.

Mark Sumner
Non-Executive Director
Appointed 26 March 2014

Mr Sumner is the founder of Kiwanda Group LLC ("Kiwanda Group"). Prior to founding the Kiwanda Group in 2008, he was an investment specialist at Madison Avenue Financial Group, a private wealth boutique with approximately $220 million in assets under management. Since 2008, Mr Sumner has been the Managing Director of the Kiwanda Group. As Managing Director of the Kiwanda Group, he has arranged private and public equity investments into oil, natural gas, gold, zinc/lead, iron ore and gold projects in Asia, South America and Sub-Saharan Africa.

Chris West
Executive Chairman and Company Secretary
Appointed 26 March 2014. Resigned on 25 April 2021

Mr West has over 30 years of experience in corporate finance and resource funds management. Currently, he is the head of SPAR Capital, a boutique specialist fund manager with over $600 million in assets under management. Between 1991 and 2007, he was the Global Head of Corporate Finance and Funds Management at Allco Finance Group, where he led a corporate finance and funds management team in over $30 billion of public and private financings and had over $15 billion in assets under management. Prior to Allco, he was the head of project finance and resources management at State Bank of New South Wales, where he led a team of 6 geologists and engineers managing a $1.5 billion portfolio of resource assets across coal, iron ore, oil & gas, bauxite and copper.

Mr West holds a Bachelor of Commerce from the University of New South Wales and a Master of Business Administration from the University of Sydney, where he studied the coal industry of Australia.

Mr West has held no other Directorships in public listed companies in the last three years.

Directors' Report

Reissue of the Annual Financial Report

The Directors identified a number of errors in the Annual Financial Report for the year ended 30 June 2021. They elected to correct the errors and omissions, and to re-issue the report. This Annual Financial Report is a re-issued version of the Annual Financial Report signed on 29 April 2022.

Company Secretary

Chris West
Appointed 26 March 2014. Resigned on 25 April 2021. No replacement has been appointed to fill this vacancy as at the date of this report.

Principal Activities

Bifox's principal activity relates to developing a portfolio of phosphate exploration and exploitation projects in Chile with a phosphate production plant located in Caldera, Atacama Region North of Chile, ready to produce phosphate rock at 20% plus of P2O5, for use as a direct application fertiliser.

Review of Operations

During the year the Company commenced with the production of phosphate rock for direct application for the local Chilean market.

Operating results

The consolidated loss of the consolidated group for the financial year after providing for income tax amounted to $1,074,422 (2020 loss of $946,667).

Dividends

No dividends have been paid or declared during the financial year, nor do the directors recommend the declaration of a dividend.

Financial Position

The net assets of the consolidated group increased by $2,304,332 from $6,391,014 as at 30 June 2020 to $8,695,346 as at 30 June 2021.

Significant Events Subsequent to Reporting Date

On 19 July 2023 Bifox was granted mining exploitation rights for Selaqueos Caldera tenements as part of the Paleontological Base Line approval from Consejo De Monumentos ("CMN") ("Council of National Monuments Chile").

Subsequently Bifox has been asked to limit production whilst a CMN agreement amendment has been undertaken redefining the CMN Paleontological Handling Plan process and Bifox's mining exploitation phosphate production permitting at the Selaqueos Caldera site.

On 10 January 2024, the Group reached an agreement with Chilean vendors to reduce the remaining amount to be settled to US$5,000,000 for tenements related to Bahia Inglesa project. Upon the signing of the amendment, the Group paid US$300,000. The remaining balance of the vendor settlement payment of US$4,700,000 payable in 2 equal instalments of 2,350,000 has been extended from February and March 2024 whilst Bifox obtains the new CMN related permitting for Bifox production at the Selaqueos Caldera site.

Directors' Report

On 11 March 2024, The Group has resolved to issue 3,944,476 and 7,060,031 shares for repayment of the outstanding director fees payable from 2014 to June 2024 to Mark Sumner and from 2014 to August 2023 to Tim Koster.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Environmental Regulations and Performance

The company is regulated by The Mining Code (Law No. 18,248) and its Regulations (Decree No. 1/1989), which establishes the regulation of the mining activity and in particular, mineral exploration, exploitation, and benefit. The Chilean leased tenements had environmental issues with the Chilean Government and the company acted on behalf of the lessor who was in breach of some environment regulations in relation to exploration of an area of paleontological significance. The matter with the Chilean Authorities has now been resolved and an agreement reached and signed on 31 January 2020. The outcome was a payment of $1,000,000 to the Paleontological Research Corporation and an ongoing commitment of $250,000 per annum for research and enhancement of the paleontological site. In addition, there has been 2,298 hectares excluded to be mined out of 25,358 hectares.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Group during the year.

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.

Directors' Meetings

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company whilst they were director during the financial year are:

	Number of meetings held	Number of meetings attended
Board of Directors:		
Chris West	-	-
Mark Sumner	-	-
Timothy Koster	-	-

Directors' Interests

The relevant interest of each Director in the share capital as notified by the Directors to the Australian Securities Exchange in accordance with s205G(1) of the *Corporations Act 2001*, at the date of this report is as follows:

	Fully Paid Ordinary Shares
Chris West[1]	2,613,704
Mark Sumner	1,644,352
Tim Koster	206,232
Total	**4,464,288**

[1] Resigned on 25 April 2021

Directors' Report

Indemnification and Insurance of Directors and Officers

The Company has agreed to indemnify the current Directors and Officers against any liability (other than the Company or related body corporate) that may arise from their position as Directors and Officers of the Company except where the liability arises out of conduct involving a lack of good faith. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Bifox has not provided any insurance or indemnity to the auditor of the Company.

Key management personnel equity holdings

Details of the movements in the holdings of key management personnel in the fully paid ordinary shares of the Company are:

	Balance at 1 July number of shares	Net Change	Balance at 30 June number of shares
2021:			
Chris West[1]	2,616,371	(2,667)	2,613,704
Mark Sumner	1,647,019	(2,667)	1,644,352
Timothy Koster	208,898	(2,666)	206,232
Total	4,472,288	(8,000)	4,464,288

[1] Resigned on 25 April 2021

2020:			
Chris West	1,452,805	1,163,566	2,616,371
Mark Sumner	1,647,019	-	1,647,019
Timothy Koster	1,466,805	(1,257,907)	208,898
Total	4,566,629	(94,341)	4,472,288

Remuneration of key management personnel

Information about the remuneration of key management personnel is set out in Note 28. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing, and controlling the activities of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the consolidated entity.

Options

The unissued ordinary shares of Bifox Limited under option as at 30 June 2021 are as follows:

Details	Issue date	Expiry date	Strike price	Number of options
Options granted	01/08/2020	01/08/2022	0.25	300,000
Options granted	01/04/2021	01/04/2023	0.25	200,000
Options granted	01/12/2020	01/12/2022	0.25	100,000
Options granted	15/04/2021	15/04/2023	0.25	5,026,176
Options granted	29/04/2021	29/04/2023	0.25	1,100,000
Options granted	01/05/2021	30/04/2023	0.25	200,000
Balance at 30 June 2021				**6,926,176**

Proceedings on Behalf of the Company

At the date of this report there are no leave applications or proceedings brought on behalf of the Group under section 237 of the *Corporations Act 2001*.

Directors' Report

Auditor's Independence
Section 307C of the *Corporations Act 2001* requires Bifox's auditors RSM Australia Partners to provide the Directors of Bifox Limited with an Independence Declaration in relation to the audit of the financial report for the year ended 30 June 2021. This Independence Declaration is included on page 10 of this annual report.

Non-Audit Services
Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 30 to the financial statements.

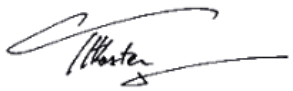
The directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed in Note 30 to the financial statements do not compromise the external auditor's independence, for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of these services undermine the general principles relating to auditor independence as set out in APES 110 'Code of Ethics for Professional Accountants' issued by the Accounting Professional & Ethical Standards Board, including reviewing, or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

This Directors' Report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001*.

On behalf of the Directors



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Tim Koster
Director
25th of June 2024

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Bifox Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

GNS

GARY N SHERWOOD
Partner

Sydney, NSW
Dated: 25 June 2024

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RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

Certified System Quality ISO 9001

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INDEPENDENT AUDITOR'S REPORT
To the Members of Bifox Limited

Opinion

We have audited the financial report of Bifox Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated 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 Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2021 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 Group 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.

Emphasis of Matter – Subsequent Event

The auditors' report issued on 29 April 2022 has been superseded by this auditors' report.

Material Uncertainty Related to Going Concern

We draw attention to Note 3.3 in the financial report, which indicates during the year ended 30 June 2021, the Group incurred a consolidated net loss of $1,074,422 and has net cash used in operating and investing activities of $447,960 and $56,849 respectively. As of that date the Group has a net current liability position of $20,853,440.

As stated in Note 3.3, these events or conditions, along with other matters as set forth in Note 3.3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

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Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, 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 Group 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 Group 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: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

RSM

RSM AUSTRALIA PARTNERS

GNS

GARY N SHERWOOD
Partner

Sydney, NSW
Dated: 25 June 2024

Directors' Declaration

The directors declare that in the opinion of the directors:

a) the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

(i) giving a true and fair view of the financial position and performance of the consolidated entity; and

(ii) complying with Australian Accounting Standards, including the Interpretations, and the Corporations Regulations 2001;

(iii) the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors

Tim Koster
Director
25th of June 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

	Note	30 June 2021 $	30 June 2020 $ Restated - Note 33
Revenue	5	267,061	-
Mine operating cost	5	(359,333)	-
Loss from mining operations		(92,272)	-
Other income	5	130,667	59,649
Foreign exchange gains	5	135,031	2,324
Corporate and administrative expenses	5	(835,405)	(669,396)
Finance income	5	74	1,616
Finance expenses	5	(152,496)	(108,483)
Exploration expenses	5	-	(232,377)
Impairment of investments	5	(260,021)	-
Loss before income tax expense		(1,074,422)	(946,667)
Income tax (expense)/benefit	6	-	-
Loss for the year		(1,074,422)	(946,667)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(120,142)	14,427
Other equity	21	1,186,057	1,047,336
Other comprehensive income, net of income tax		1,065,915	1,061,763
Total comprehensive (loss)/income for the year		(8,507)	115,096

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 30 June 2021

	Note	30 June 2021 $	30 June 2020 $ Restated - Note 33
Assets			
Current assets			
Cash and cash equivalents	7	273,806	1,368
Trade and other receivables	8	405,920	128,855
Other assets	11	9,116	7,884
Total current assets		688,842	138,107
Non-current assets			
Property, plant and equipment	12	139,251	130,464
Right-of-use-assets	12(b)	-	259,463
Inventory	13	371,771	-
Exploration and evaluation expenditure	15	31,074,548	6,396,719
Financial assets	9	28,500	2,632,159
Deferred tax assets	10	543	543
Total non-current assets		31,614,613	9,419,348
Total assets		32,303,455	9,557,455
Liabilities			
Current liabilities			
Trade and other payables	16	3,501,552	1,856,081
Lease liability	12(b)	-	151,544
Borrowings	17	17,964,346	787,518
Provisions	18	76,384	68,695
Total current liabilities		21,542,282	2,863,838
Non-current liabilities			
Trade and other payables	16	2,689,518	-
Lease liability	12(b)	-	122,702
Provisions	18	359,801	179,901
Total non-current liabilities		3,049,319	302,603
Total liabilities		24,591,601	3,166,441
Net assets		7,711,854	6,391,014
Equity			
Issued capital	20	76,938,255	75,608,908
Other equity	21	2,233,393	1,047,336
Reserves	22	768,220	888,362
Accumulated losses	22	(72,228,014)	(71,153,592)
Total equity		7,711,854	6,391,014

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2021

	Issued capital $	Reserves $	Other equity $	Accumulated losses $	Total equity $
Balance at 1 July 2020	75,608,908	888,362	1,047,336	(71,153,592)	6,391,014
Loss for the year	-	-	-	(1,074,422)	(1,074,422)
Foreign currency translation reserve movement (Note 22)	-	(120,142)		-	(120,142)
Other equity (Note 21)	-	-	1,186,057	-	1,186,057
Total comprehensive loss for the year	-	863,350	1,186,057	(1,074,422)	974,985
Shares issued during the year (Note 20)	1,374,667	-	-	-	1,374,667
Share issue costs (Note 20)	(45,320)	-	-	-	(45,320)
Balance at 30 June 2021	76,938,255	768,220	2,233,393	(72,228,014)	7,711,854
Balance at 1 July 2019 (Restated - Note 33)	70,305,408	873,935	-	(70,202,807)	976,536
Loss for the year	-	-	-	(946,667)	(946,667)
Other comprehensive income	-	14,427		-	14,427
Other equity (Note 21)	-	-	1,047,336	-	1,047,336
Total comprehensive income for the	-	14,427	1,047,336	(946,667)	115,096
AASB16 adjustment to accumulated loss				(4,118)	(4,118)
Shares issued during the year (Note 20)	5,659,900	-	-	-	5,659,900
Share issue costs (Note 20)	(356,400)	-	-	-	(356,400)
Balance at 30 June 2020 (Restated - Note 33)	75,608,908	888,362	1,047,336	(71,153,592)	6,391,014

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2021

	Note	30 June 2021 $	30 June 2020 $
Operating activities			
Receipts from customers		247,158	-
Cash payments to suppliers and employees		(752,458)	(928,477)
Cash used in operations		(505,300)	(928,477)
Interest paid and other income		57,340	51,684
Net cash used in operating activities	25	(447,960)	(876,793)
Investing activities			
Purchase of property, plant and equipment		(6,443)	(3,481)
Payments for mining rights and exploration activities		(670,629)	(3,833,335)
Loans to related parties		-	(117,193)
Financial assets		620,223	(727,155)
Net cash used in investing activities		(56,849)	(4,681,164)
Financing activities			
Proceeds from share issue		822,567	5,659,900
Payments for share issue transaction costs		(45,320)	(356,400)
Proceeds from third party loan		-	147,000
Loan to third party loan		-	(820,562)
Net cash from financing activities		777,247	4,629,938
Net increase/(decrease) in cash and cash equivalents		272,438	(928,019)
Cash and cash equivalents at 1 July 2020		1,368	929,387
Cash and cash equivalents at 30 June 2021	7	273,806	1,368

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1. General information

Bifox Limited (the 'Company') is a company domiciled in Australia. The Company's registered office and principal place of business address is Level 7, 92 Pitt Street, Sydney, NSW, 2000. The consolidated financial statements of the Company as at and for the year ended 30 June 2021 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group' or 'Consolidated entity'). The Company has been developing its assets in South America.

Bifox Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia.

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

Reissue of the Annual Financial Report

The Directors identified a number of errors in the Annual Financial Report for the year ended 30 June 2021. They elected to correct the errors and omissions, and to re-issue the report. This Annual Financial Report is a re-issued version of the Annual Financial Report signed on 29 April 2022.

2. Application of new and revised Accounting Standards

(i) New and amended standards and interpretations

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.

(ii) Accounting standards and interpterion's issued but not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting year ended 30 June 2021. The directors have not early adopted any of these new amended standards and interpretations.

3. Significant accounting policies

The significant accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by the Group.

3.1 Basis of preparation

These financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the Directors on _____ 2024.

Notes to the Consolidated Financial Statements

3.2 Historical cost convention

The consolidated financial statements have been prepared on the basis of historical cost. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars unless otherwise noted. Fair value is 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

3.3 Going concern

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

At 30 June 2021, the Group has net assets of $7,711,854. During the year ended 30 June 2021, the Group incurred a consolidated net loss before income tax of $1,074,422 and has net cash used in operating and investing activities of $447,960 and $56,849 respectively. The Group has a net current liability position of $20,853,440.

The ability of the Group to continue as a going concern is dependent on a number of factors, the most significant of which is raising additional capital or sourcing alternative funding. These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the Company and consolidated entity will be able to continue as a going concern, after consideration of the following factors:

- On 19 July 2023 Bifox was granted mining exploitation rights for Selaqueos Caldera tenements as part of the Paleontological Base Line approval from Consejo De Monumentos ("CMN") ("Council of National Monuments Chile").
- Subsequently Bifox has been asked to limit production whilst a CMN agreement amendment has been undertaken redefining the CMN Paleontological Handling Plan process and Bifox's mining exploitation phosphate production permitting at the Selaqueos Caldera site.
- On 10 January 2024, the Group reached an agreement with Chilean vendors to reduce the remaining amount to be settled to US$5,000,000 for tenements related to Bahia Inglesa project. Upon the signing of the amendment, the Group paid US$300,000. The remaining balance of the vendor settlement payment of US$4,700,000 payable in 2 equal instalments of 2,350,000 has been extended from February and March 2024 whilst Bifox obtains the new CMN related permitting for Bifox production at the Selaqueos Caldera site.
- The Company has the continued support of significant shareholders and has raised additional share capital of $777,247 in the financial year under review. The Group raised a further $1,420,336 in the 2022 financial year, $6,244,860 in the 2023 financial year, and $14,061,951 subsequent to the 2023 financial year. The Directors expect that the shareholders will continue to support the Company in the event any additional equity funding is required in the foreseeable future.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

Notes to the Consolidated Financial Statements

3.4 Foreign Currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Australian dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

Foreign currency transactions
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.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

3.5 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 33.

3.6 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Notes to the Consolidated Financial Statements

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group transactions, balances, income and expenses and cash flows are eliminated in full on consolidation.

3.7 Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing joint control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with AASB 5. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of AASB139 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with AASB136 'Impairment of Assets' as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB136 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with AASB139. The difference between the carrying amount of the joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

Notes to the Consolidated Financial Statements

The Group continues to use the equity method when an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

3.8 Exploration and evaluation expenditure

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

Initial recognition of exploration and evaluation expenditure is at cost. Where a concession is acquired at fair value it is recognised at that value representing the cost to the Company. Subsequent recognition of expenses remains at cost. Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

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

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

3.9 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.

3.10 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value.

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

Notes to the Consolidated Financial Statements

The Group 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 grouped based on days overdue.

3.11 Cash and cash equivalents

Cash and cash equivalents include cash on hand and cash at bank. For the statement of cash flow presentation purpose, cash and cash equivalents comprise cash on hand and cash at bank.

3.12 Impairment

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than exploration and evaluation, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash generating unit').

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or am amortisation, if no impairment loss had been recognised.

3.13 Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs, and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Software	4 years
Plant and equipment	5 years
Computer equipment	4 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Notes to the Consolidated Financial Statements

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

3.14 Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

3.15 Interest-bearing borrowings

The financial assets and financial liabilities included in non-current assets and non-current liabilities approximate fair values. Fair value is calculated based on discounted expected future principal and interest cash flows.

3.16 Employee benefits

(i) Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within twelve months of the reporting date represent present obligations resulting from employee's services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

(ii) Long-term benefits

Liabilities for employee benefits for long service leave that are not expected to be settled within twelve months of the reporting date represent present obligations resulting from employee's services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date.

(iii) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Notes to the Consolidated Financial Statements

3.17 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3.18 Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods and services provided to the Group prior to the end of the reporting period and are stated at amortised cost. The amounts are unsecured and are usually paid within 30 days of recognition.

3.19 Revenue

(i) Goods sold

Revenue from the sale of goods is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

Revenues are recognised at fair value of the consideration received net of the amount of GST. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenue.

(ii) Interest

Interest income is recognised as it accrues using the effective interest method.

3.20 Lease liability

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

3.21 Finance income and expenses

Finance income comprises interest income on funds invested, dividend income, and foreign currency gains that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Notes to the Consolidated Financial Statements

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, foreign currency losses and impairment losses recognised on financial assets that are recognised in profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method.

3.22 Taxes

(i) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities that affects both accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(ii) Tax consolidation

The Company and its wholly owned Australian resident entities have formed a tax-consolidated group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Bifox Limited.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax-consolidated group and are recognised by the Company as amounts payable (receivable) to/(from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the Company as an equity contribution or distribution.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

Notes to the Consolidated Financial Statements

(iii) Nature of tax funding arrangements and tax sharing arrangements

The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability/(asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable/(payable) equal in amount to the tax liability/(asset) assumed. The inter-entity receivables/(payables) are at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The head entity in conjunction with other members of the tax-consolidated group has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

3.23 Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

3.24 Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Financial assets at fair value through profit or loss

An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Notes to the Consolidated Financial Statements

Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

3.25 Share capital

Ordinary shares

Ordinary shares are classified as equity.

3.26 Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

3.27 Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

3.28 Inventories

Inventories are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Cost is determined on the following basis:
(a) Phosphate rock is valued at the average cost of mining and stockpiling the rock, including haulage

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the Consolidated Financial Statements

4 Critical accounting judgments and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Management discusses with the Board of Directors the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Acquisition on FCGPL Pty Limited and the Bahia Inglesa tenements

As stated in Note 15 and Note 28, during the financial year ended 30 June 2021 the shares in FCGPL Pty Ltd that were previously owned by Chris West, Tim Koster and Mark Sumner were transferred to Bifox Limited for nil consideration. FCGPL Pty Ltd owns 99% of the Bahia Inglesa tenements through its Chilean subsidiaries, Sociedad Contractual Minera Bahia Inglesa Limitada and Compania Minera de Fosfatos Naturales S.A., both of which are currently dormant companies. The directors have exercised their judgement in determining that this transaction is an asset acquisition rather than a business combination, and consequently the company has recognised the asset value based on the excess of net liabilities in FCGPL Pty Limited in excess of the purchase consideration of nil. This decision was primarily based on the fact that the companies acquired were dormant companies holding assets that Bifox required for it mining operations. Whilst the shares were held by the Bifox Directors, Bifox was not considered to have control over FCGPL Pty Limited in the past and consequently these assets were only considered to be acquired at the time the shares were transferred to Bifox Limited which took place in the year under review.

Notes to the Consolidated Financial Statements

5 Revenue, Other revenue and Loss before income tax expense

	30 June 2021 $	30 June 2020 $
Revenue		
Phosphate rock sales	267,061	-
Total revenue	267,061	-
Disaggregation of revenue		
The disaggregation of revenue from contracts with customers is as follows:		
Major product line		
Phosphate rock	267,061	-
Geographical region		
Chile	267,061	-
Timing of revenue recognition		
Goods transferred at a point in time	267,061	-
Mine operating cost		
Cost of goods sold	(359,333)	-
Total mine operating cost	(359,333)	-
Corporate and administrative expenses		
Consultants and advisory expenses	(74,143)	(21,171)
Share registry and listing costs	(20,146)	(9,581)
Directors' fees and salaries	(426,735)	(295,000)
Employee benefit expenses	(73,501)	(85,309)
Rates, taxes and rental outgoings	(18,246)	(17,497)
Insurance expenses	(17,495)	(14,861)
Audit fees	(25,000)	(25,000)
Other administrative expenses	(63,859)	(49,288)
Depreciation	(116,280)	(151,689)
Total Corporate and administrative expenses	(835,405)	(669,396)
Impairment of investments	(260,021)	-
Exploration expenses		
Legal fees	-	(148,721)
Property restitution	-	(83,656)
Total exploration expenses		(232,377)

Net finance loss		
Finance Income		
Interest income	74	1,616
Finance expenses		
Interest loan	(146,542)	(91,373)
Interest on lease liabilities	(5,954)	(17,110)
Net finance loss	(152,422)	(106,867)
Other income		
Other income	130,667	59,649
Total other income	130,667	59,649

6 Income tax expense/(benefit)

	30 June 2021 $	30 June 2020 $
a) Income tax expense comprises:		
Current income tax		
Current income tax charge/ (benefit)	-	-
Under/(over) recognition in the prior year	-	-
Deferred tax		
Movement in temporary differences	-	-
Income tax expense	-	-

	30 June 2021 $	30 June 2020 $
b) Reconciliation of prima facie income tax expense to income tax expense per the Consolidation Statement of Profit or Loss and Other Comprehensive Income		
Accounting losses before tax	(1,074,422)	(946,667)
Prima facie income tax expense at 30% (2020: 30%)	(322,327)	(284,000)
Non-deductible expenses	51,915	(20,179)
Recognition of previously unrecognised temporary difference	23,336	(27,064)
Deferred tax assets not recognised	247,076	331,243
Total income tax expense/(benefit)	-	-

Total available tax and capital losses to date are estimated at $54,263,356 (2020: $53,439,774). As at the date of this report, no deferred tax assets have been recognised as it is not yet considered sufficiently probable that future taxable profits will be generated in the appropriate jurisdictions to enable these to be utilised. The total deferred tax asset not recognised in relation to tax losses and timing differences are $16,586,083 (2020: $16,456,815).

Notes to the Consolidated Financial Statements

7 Cash and cash equivalents

Current	30 June 2021 $	30 June 2020 $
Cash at bank and on hand	273,806	1,368
	273,806	1,368

For the statement of cash flow presentation purpose, cash and cash equivalent comprise above.

8 Trade and other receivables

Current	30 June 2021 $	30 June 2020 $
Trade receivables	66,983	-
Other receivables	338,937	128,855
	405,920	128,855

9 Financial assets

	30 June 2021 $	30 June 2020 $
Non-Current		
Term deposit	-	102,339
Rental bond[1]	28,500	-
Letter of credit	-	727,155
Loan to related parties (i)	-	1,802,665
	28,500	2,632,159

[1] The rental bond is restricted due to it being a guarantee for the lease of the Sydney office.

(i) The companies to which the related party loans relate were acquired in the year under review and consequently these loans were not eliminated on consolidation in the prior year.

10 Deferred tax assets

Deferred tax assets and liabilities are attributable to the following:

	30 June 2021 $	30 June 2020 $
Deferred tax assets		
Tax losses	16,279,007	16,031,932
Other	135,259	255,576
Undeducted borrowing cost	52,123	52,123
Investments	17,473	17,473
Blackhole expenditure	105,499	102,780
Total deferred tax assets	16,589,361	16,459,884
Deferred tax liabilities		
Prepayments and other assets	(2,735)	(2,526)
Total deferred tax liabilities	(2,735)	(2,526)
Net deferred tax assets/(liabilities)	16,586,626	16,457,358

Tax losses brought forward	(41,724,074)	(40,550,932)
Add: tax losses generated this year	(823,582)	(1,173,142)
Tax losses available to be carried forward	(42,547,656)	(41,724,074)
Tax brought forward	(11,715,700)	(11,715,700)
Add: Capital tax losses generated this year	-	-
Tax losses available to be carried forward	(11,715,700)	(11,715,700)
Total tax losses	(54,263,356)	(53,439,774)

11 Other assets

Current	**30 June 2021 $**	**30 June 2020 $**
Prepayments	9,116	7,884
	9,116	7,884

12 Property, plant and equipment

	30 June 2021 $	**30 June 2020 $**
Computer equipment	17,852	14,753
Accumulated depreciation	(11,760)	(9,731)
	6,092	5,022
Software	11,045	7,954
Accumulated depreciation	(7,896)	(7,101)
	3,149	853
Plant and Equipment	5,366,274	124,589
Accumulated depreciation	(5,263,374)	-
	102,900	124,589
Construction & infrastructure	1,104,081	-
Accumulated depreciation	(1,076,971)	-
	27,110	-
Total	139,251	130,464

Notes to the Consolidated Financial Statements

Movements in carrying amounts
Movements in carrying amounts for each class of property, plant and equipment

Computer equipment		
Carrying value at beginning of the year	5,022	3,586
Additions	3,352	3,481
Exchange difference	(245)	-
Accumulated depreciation	(2,037)	(2,045)
Carrying value at the end of the year	6,092	5,022
Software		
Carrying value at beginning of the year	853	2,241
Additions	3,091	-
Accumulated depreciation	(795)	(1,388)
Carrying value at the end of the year	3,149	853
Plant and Equipment		
Carrying value at beginning of the year	124,589	148,067
Additions	3,141,403	-
Exchange difference	4,036	(23,478)
Accumulated depreciation	(3,167,128)	-
Carrying value at the end of the year	102,900	124,589
Construction & infrastructure		
Carrying value at beginning of the year	-	-
Additions	1,104,081	-
Exchange difference	-	-
Accumulated depreciation	(1,076,971)	-
Carrying value at the end of the year	27,110	-
Total		
Carrying value at beginning of the year	130,464	153,894
Additions	4,251,927	3,481
Exchange difference	3,791	(23,478)
Accumulated depreciation	(4,246,931)	(3,433)
Carrying value at the end of the year	139,251	130,464

Notes to the Consolidated Financial Statements

12(b) Leases

This note provides information for leases where the Group is a lessee.

Amounts recognised in statements of financial position

	30 June 2021 $	30 June 2020 $
Right-of-use assets	-	444,794
Depreciation	-	(185,331)
Closing balance net of accumulated depreciation	-	259,463
Lease liabilities[1]		
Current	-	151,544
Non-current	-	122,702
Closing balance	-	274,246
Amounts recognised in statement of profit and loss and other comprehensive income		
Depreciation charge of right-of-use assets	74,132	148,265
Interest expense (included in finance cost)	5,954	17,110

[1]These liabilities, as of 30 June 2020, have been brought to account as the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates as of 1 July 2019. The discount rates applied was 5%.

13 Inventory

Non-current	30 June 2021 $	30 June 2020 $
Raw material – Phosphate rock	371,771	-
Total inventory	371,771	-

14 Acquisition of Kiwanda Alliance (BVI) Inc and Andean Coal (BVI)

On 9 June 2016 the Company acquired 100% of Kiwanda Australia Pty Ltd which has 50% interest in Kiwanda Alliance (BVI) Inc. and 50% interest in Andean Coal (BVI) Ltd. The acquisition of assets by Kiwanda Australia Pty Ltd can be disregarded as Kiwanda Australia Pty Ltd was being used as a structuring vehicle to structure this transaction. The primary purpose of Kiwanda Alliance is to facilitate exploration, mining and sale of rock phosphate through its 100% subsidiary Kiwanda Chile S.A. in Bahia Inglesa located in north Chile and the Andean Coal primary purpose is to produce and operate coal deposits in Colombia.

On 20 November 2020, the Company acquired the remaining 50% interest in Kiwanda Alliance (BVI) Inc. and Andean Coal (BVI) Ltd. At this date both companies and its subsidiaries were dormant companies. The directors have exercised their judgement in determining that this transaction is an asset acquisition rather than a business combination.

Notes to the Consolidated Financial Statements

Details of the consideration are as follows:

	Shares/options issued	Consideration $
Ordinary shares issued[1]	13,935,237	422,100
Options to be issued[3]	11,703,990	270,185
Contingent consideration (shares)[2]	14,067,607	426,102
Contingent consideration (options)[2]	12,441,250	287,204
Provision consideration[4]	-	179,901
Promissory Notes not included in accounts[5]	-	167,604
Contingent consideration not raised in accounting records	-	(983,492)
Total consideration		**769,604**

[1] The first instalment is the 50% of the Phosphate amount.

[2] The second instalment which is the remaining 50% of the Phosphate amount includes Contingent shares, subject to the Company on the achievement of the following phosphate milestones: a) 50% of these contingent shares, upon achievement of phosphate milestone one, being the achievement of production of more than 2,000 tonnes of phosphate per month for three consecutive months. b) 50% of these contingent shares, upon completion of the drilling program on the Bahia Inglesa property identifying an Indicated Mineral Resource under JORC of not less than 40 million tonnes of phosphate.

[3] Issuance of one option to acquire one ordinary share in the Company for each Phosphate payment share issued (each such option being a "Phosphate Payment option"). Term of the options are exercise period of each option shall be 3 years from the date of issue of the Phosphate payment option and shall be exercisable by the payment of $0.10 for the issue of one ordinary share by the Company. As at 30 June 2021 these options have not yet been issued to the relevant party.

[4] Net production royalty payable to Lara equal to 2% of the net value of all phosphate rock product produced and which will become payable once production exceeds 50,000 tonnes per annum. Once production exceeds 50,000 tonnes per annum, the royalty will be payable as a percentage of all tonnage produced, including the initial: 50,000 tonnes or the net cash equivalent.

[5] Balance of Promissory notes owed to Lara Exploration Ltd not included in the accounts of the acquired companies.

15 Exploration and evaluation expenditure

	30 June 2021 $	30 June 2020 $
Option agreement - Bahia Inglesa (Chile)	1,932,416	1,932,416
Exploration cost capitalised	1,915,278	2,207,489
Mining rights and tenements– Bahia Inglesa (Chile) [1]	21,090,411	-
Acquisition of Kiwanda Alliance (BVI) Inc and Andean Coal (BVI) (Note 14)	769,604	769,604
CDE agreement cost capitalised [2]	5,366,839	1,487,210
Total	31,074,548	6,396,719

[1] During the financial year ended 30 June 2021 the shares in FCGPL Pty Ltd that were previously owned by Chris West, Tim Koster and Mark Sumner were transferred to Bifox Limited for nil consideration. FCGPL Pty Ltd owns 99% of the Bahia Inglesa tenements through its Chilean subsidiaries, Sociedad Contractual Minera Bahia Inglesa Limitada and Compania Minera de Fosfatos Naturales S.A., both of which are currently dormant companies. The directors have exercised their judgement in determining that this transaction is an asset acquisition rather than a business combination, and consequently the company has recognised the asset value based on the excess of net liabilities in FCGPL Pty Limited in excess of the purchase consideration of nil.

Notes to the Consolidated Financial Statements

Lease Agreement with an Option to purchase a mining concessions

On 12 December 2016 the Company executed a Lease Agreement with an Option to buy the Chilean mining concessions located in Bahia Inglesa. The leasers being Compania Minera de Fosfatos Naturales Limitada and Sociedad Contractual Minera Bahia Inglesa, were subsidiaries FCGPL Pty Limited which shares were previously owned by Chris West, Tim Koster and Mark Sumner who are/were Directors of the company. As stated above, these shares were transferred to Bifox Limited for nil consideration in the year under review, however the liabilities in these companies now form part of the Bifox Group. The leasers are the owners of a phosphate mining site in Chile that includes certain mining properties and diverse assets that include a phosphate processing plant. The leasers lease their mining property and assets to the lessee and additionally compromise with the lessee to sell these goods, in exchange that the lessee realise certain payments and fulfill certain obligations. The lessee will have the exclusive right to explore, exploit, extract mineral and to freely use the mining equipment, processing equipment, machinery, plant and infrastructure currently associated with the Mining Property and all of the Assets, in the broadest manner and in the form and opportunity that it estimates appropriate.

The Leasers grant the Lessee an exclusive and irrevocable option to buy (the "Option") over: (i) the Mining Property, and (ii) all of the Assets included in the property. The Leasers irrevocably compromise to sell, cease and transfer said goods and all of the rights arising from those to the Lessee, in the form, conditions and modalities expressed in the following clauses.

It is clarified that for the Option to be exercised, it is necessary for both Parties to ensure to finalise the transfer of the goods provided in the Option.

On 1 June 2017, the Company terminated the agreement dated 12 December 2016 and executed a new Lease Agreement with an Option to buy the Chilean assets through its 100% subsidiary Fosfatos de Caldera SpA, in the same terms and conditions of the original agreement previous executed.

Rent of the Lease:

The Leasers will maintain the right of commercialisation and distribution of all the mineral produced or other substances extracted or produced from the Mining Properties until a period of ten (10) years from the date of the present agreement has lapsed.

The Leasers will acquire all of the product of the Lessee. Uniquely the first US$ 5 per metric tonne sold will be retained by the Leasers (in concept of commercialization fee). When the sale price exceeds US$ 150 per tonne (including the commercialization fee) any surplus in the sale price above US$ 150 will be split in equal parts between the Leasers and the Lessee.

The Leasers reserve the right to receive up to a cumulative production of 250.000 metric tonnes of phosphate rock in any form, in the manner and occasion that it solicits. This right subsists and will subsist for owners independently of the subscription and definitive execution of the contract of sale over the Leased Goods in the terms of the present instrument. The Leasers will pay the Lessee the real cost of production of the phosphate rock produced. The Lessee will put the product at the disposition of the Leasers at the mine

Conditions for the exercise of the option:

a) Fulfillment of the payments: The Lessee will be able to decide to exercise the Option as long as it is on schedule with the agreed payments in the lease agreement and all of the payments due under the Agreement for the Purchase of Shares and Social Rights and Contract of Sale of Mining Concessions both date 6th. December 2016 between FCGPL Pty Ltd and Kiwanda Chile S.A. (as a buyers) and Inversiones VPF SpA and others as sellers. Notice that FCGPL Pty Ltd was previously owned by Chris West, Tim Koster and Mark Sumner who are/were Directors of the company. Kiwanda Chile S.A. The shares in FCGPL Pty Limited were transferred to Bifox Limited in the year under review.

   In these contracts Compania Minera de Fosfatos Naturales Limitada and Sociedad Contractual Minera Bahia Inglesa take full control over the mining concessions located in Bahia Ingles in Chile.

Notes to the Consolidated Financial Statements

The following payment schedule was payable by FCGPL Pty Limited (99%) and Kiwanda Chile SA (1%):

Due date	USD	Comment
06/12/16	750,000	Purchase price (at the date of execution the agreement)
06/03/17	249,999	Purchase price (Q1)
06/06/17	249,999	Purchase price (Q2)
06/09/17	249,999	Purchase price (Q2)
06/12/17	2,250,000	(*) First conditional increase to the price (Q4)
06/06/18	1,850,000	(*) Second conditional increase to the price (Q6)
06/12/18	8,149,999	(*) Third conditional increase to the price (Q8)
06/03/19	150,001	(*) Third conditional increase to the price (Q9)
06/06/19	150,001	(*) Third conditional increase to the price (Q10)
06/09/19	150,001	(*) Third conditional increase to the price (Q11)
06/12/19	2,000,001	(**) Eventual l increase to the price (3rd. anniversary)
Total	**16,200,000**	

At 30 June 2021 the Company has paid to the lessors the amount of $1,690,341 (US$1,275,000) as a part of payment for the option to buy the Chilean mining assets.

The obligations above have been included in the Group's liabilities following the transfer of the shares in FCGPL Pty Limited by Chris West, Tim Koster and Mark Sumner in the year under review for nil consideration.

(*) Conditional increases

The Parties agree on the Conditional increases of the Purchase Price as per Q4 (First Conditional increase to Purchase Price), Q6 (Second Conditional increase to Purchase Price) and Q8 (Third Conditional increase to Purchase Price payable in 4 instalments from Q8 to Q11), and which will only be applicable, enforceable and payable, in the case that each of them fulfills with the following suspensory conditions:

The Parties agree that for the Sellers to have the right to receive the Conditional increases to the Purchase Price which will be accrued as agreed (i) the first of them 12 months from the date when the document is executed (Q4); (ii) the second of them 18 months from this date when the document is executed (Q6), and the third from 24 months from this date when the document is executed (in four instalments, in Q8,Q9,Q10, and Q11), should be accrued to the Buyers when each suspensive condition referred below are met , which will need to be verified 10 day prior to the expiry day of each respective period, as follows:

From the tenth day prior to the end of the period indicated for Q4, Q6 and Q8, the Sellers must demonstrate to the Buyers that the Average Reference Price to the corresponding date, P2014-15.9.17, P2014-15.3.18 and P2014-14.9.18 respectively, is greater than or equal to a fifth of the result of the product of a constant "beta" (β) and the minimum value PAAAA of the period from 1994 to 2013 (P1994, P1995, ... , P2013), hereinafter "Suspensive condition", as is indicated and explained as follows:

(i) Suspensory Condition for the first Conditional increase to the Purchase Price (Q4):

$$P2016\text{-}15.9.17 \geq \min \{ P1994, P1995, P1996, \dots , P2013 \} \times \beta/5$$

(ii) Suspensory Condition for the second Conditional increase to the Purchase Price (Q6) :

$$P2016\text{-}15.3.18 \geq \min \{ P1994, P1995, P1996, \dots , P2013 \} \times \beta/5$$

Notes to the Consolidated Financial Statements

(iii) Suspensory Condition for the third Conditional increase to the Purchase Price (Q8), valid for all the instalments (Q8, Q9, Q10 and Q11):

$$P2016\text{-}14.9.18 \geq \min \{ P1994, P1995, P1996, \ldots , P2013\} \times \beta / 5$$

Where:

- PAAA: is the average Reference Price for the year AAAA(Average Annual Reference Price).
- PAAAA-D.M.Y : is the average of the Reference Prices for the period from the 1st on January of the year AAAA and the date D.M. Y (D: day, M: month, Y: year}, based on (i) The average annual Reference Price for the previous years to the date D/M/Y and (ii) the average Reference Price between the 1st of January of the year Y, and the date D.M.Y, considering in this last case the monthly average Reference Price.
- β:is a constant equal to 0,4576.

The Parties agree if the Suspensory Condition is met for the conditional increment of the Purchase Price Q8 and its related payment, then the same will be applicable for payments for Q9, Q10, Q11, without needing to meet again the respective Suspensory Condition.

While the Sellers do not demonstrate the respective Suspensory Condition, they will have no right to charge the corresponding amount for the Conditional increase of the Purchase Price, as it corresponds. If the Sellers for any reason delay the accreditation of the fulfillment of the Suspensory Condition, the Buyers will not have to pay for these interests or any compensation to the Sellers. In the case that the Suspensory Conditions are not met in each of the cases then the Buyers will postpone the respective payment for the conditional increase until the date in which the corresponding Suspensory Condition is met.

The parties agree that the only way to validate the respective Suspensory Condition would be through a report which will be done by a Civil Engineer, who will ratify through his judgement that the Suspensory Condition indicated in this clause has been met in the respective cases.

For the prior, the Sellers should give the Buyers a copy of a report prepared by a Civil Engineer that contains the conclusions already marked. The designation of this engineer will be decided by mutual agreement of the Parties and, in the case an agreement cannot be reached over who this engineer will be who will complete this report, this will then be designated by the Sellers. The appointment of mutual agreement will consist of the delivery of a list from the Sellers containing 3 engineers which will be sent to the Buyer's address disclosed in this contract, or another given for this purpose. The Buyers will have 10 consecutive days to respond. The response of the Buyers should be sent to the Seller's address stated on this contract or the one which has been given for this effect. If during this time, there is no communication between the Parties or if it is a negative communication against the 3 suggested names, the Sellers will unilaterally designate the engineer that will step into the role. The related cost to obtain and manage this report will be covered by the sellers.

(**) Eventual increase to Purchase price

Additionally, and subject to the reference price P205 exceeding US$667 per metric tonne on the third year counted from the date when the document is executed, the Buyers will pay the Sellers, only one time, by the concept of Eventual increase to purchase price, the sum of US$2,000,000 (two million dollars). In the case, circumstances allow for this payment, the Buyers will then have thirty business days, counted from the third year of this date, to make the payment. In the case, that on the third anniversary of this date there is no published Reference Price P205 then the last Reference Price P205 published before the third anniversary of this date.

This payment will not be realised, and the Sellers will have no right to receive it, in the case that the Reference Price P205 does not exceed US$667 per metric tonne on the third year from this date, as stated above.

b) Term to exercise the option: The Lessee will be able to decide to exercise the option, in the measure that this agreement allows, and only from (i) ninety (90) consecutive days lapsed after the 6th of December 2019, and (ii) in which moment the precautionary measures, mortgage an burdens have been lifted in a definitive form from the Mining Property and the Assets.

c) Lifting of precautionary measures: The Lessee will be able to decide to exercise the option, when the prohibition for the transfer of the Leased Goods has been lifted enacted in the trial rol N°5532-2004 del Segundo Juzgado de Letras en lo Civil de Copiapo, titled "Fisco de Chile con SCM Bahia lnglesa y Otros". The Parties acknowledge that they are aware that, in virtue of this trial, the Tribunal has declared a precautionary measure of prohibition of charge and transfer the Mining Property, as well as its respective effects.

d) Price for the exercise of the option to buy:

(i) the Lessees will pay all of the costs, expenses and legal fees in relation to the solution, transaction and satisfactory finalisation of the following trials against the Leasers: (a) Juicio rol N°5532-2004 del Segundo Juzgado de Letras en lo Civil de Copiapo, titled "Fisco de Chile con SCM Bahia Inglesa y Otros"; and (b) Juicio rol C-147-2015, del Segundo Juzgado de Letras de Copiapo, titled "Fisco de Chile/ Cia. Mra. de Fosfatos Naturales"; and

(ii) additionally, the Lessee with pay the Leasers US$1,000 (one thousand American dollars), the moment of exercise of the Option and the transfer of the goods.

Surviving Obligations: The Parties declare that in the case the mentioned Option is exercised, said exercise will not extinguish the obligations of payment of royalties over the Mining Properties undertaken by the Leasers prior to the subscription to the present contract, but it will survive this, until the validity stated in the " Contract of Sale of Mining Concessions)' dated 6th of December 2016.

On 19 July 2023 Bifox was granted mining exploitation rights for Selaqueos Caldera tenements as part of the Paleontological Base Line approval from Consejo De Monumentos ("CMN") ("Council of National Monuments Chile").

Subsequently Bifox has been asked to limit production whilst a CMN agreement amendment has been undertaken redefining the CMN Paleontological Handling Plan process and Bifox's mining exploitation phosphate production permitting at the Selaqueos Caldera site.

On 10 January 2024, the Group reached an agreement with Chilean vendors to reduce the remaining amount to be settled to US$5,000,000 for tenements related to Bahia Inglesa project. Upon the signing of the amendment, the Group paid US$300,000. The remaining balance of the vendor settlement payment of US$4,700,000 payable in 2 equal instalments of 2,350,000 has been extended from February and March 2024 whilst Bifox obtains the new CMN related permitting for Bifox production at the Selaqueos Caldera site.

[2] This asset relates to the funding obligations in terms of a CDE agreement entered into on 31 January 2020 between the Company and The State Treasury of Chile. As part of the agreement, Bifox has funded the payment of US$1,000,000 to the Paleontological Research Corporation and US$156,250 in legal and other costs. Bifox is acting as a guarantor in terms of this agreement and is jointly responsible for a total commitment to fund US$250,000 per annum for 10 years for research, and enhancement of the paleontological site of Los Dedos located in the Comuna de Caldera, Region of Atacama and also paleontological assets and the species found during the mining activities in the area of the Project. This contribution may not be less than ten years. In addition, Bifox is obliged to allocate US$150,000 for the construction of the infrastructure destined for a transitory deposit for the paleontological material that will be recovered as a result of the activities. Other key terms of this agreement include the requirement for a Mortgage to be registered over the full Selaqueos 1 to 2,000 area in favour of the Chilean Tax authority to guarantee any future commitments. The agreement also contains a clause forcing the exclusion of all mining activity, on 2,516 hectares of the as detailed in the plan forming part of the agreement.

Notes to the Consolidated Financial Statements

16 Trade and other payables

	30 June 2021 $	30 June 2020 $
Current		
Trade payables	1,499,146	1,581,113
Other payables and accruals[1]	1,946,648	274,968
Placement funds received in advance	55,758	-
Total	3,501,552	1,856,081
Non-current		
Other payables and accruals[2]	2,689,518	-
Total	2,689,518	-
Total trade and other payables	6,191,070	1,856,081

[1] Includes amounts owed to the State Treasury of Chile. Current debt owed to 30 June 2021 is $1,190,112 (US$885,000).
[2] Includes amounts owed to the State Treasury of Chile, payable in the next 9 years. Non-current debt owed to 30 June 2021 is $2,689,518 (US$2,000,000). On 31 January 2020 the Company and The State Treasury of Chile formally executed the Bifox CDE agreement. As part of the negotiated settlement, Bifox has funded the payment of US$1,000,000 to the Paleontological Research Corporation and US$156,250 in legal and other costs. Bifox is acting as a guarantor in terms of this agreement and is jointly responsible for a commitment to fund and additional US$250,000 per annum for research, and enhancement of the paleontological site of Los Dedos located in the Comuna de Caldera, Region of Atacama and also paleontological assets and the species found during the mining activities in the area of the Project. This contribution may not be less than ten years. In addition, Bifox is obliged to allocate US$150,000 for the construction of the infrastructure destined for a transitory deposit for the paleontological material that will be recovered as a result of the activities. An additional obligation of $235,000 have been committed to for a drilling programme. Other key terms of this agreement include the requirement for a Mortgage to be registered over the full Selaqueos 1 to 2,000 area in favor of the Chilean Tax authority to guarantee any future commitments. The agreement also contains a clause forcing the exclusion of all mining activity, on 2,516 hectares of the as detailed in the plan forming part of the agreement.

The average credit period on purchases of goods and services is 30 days. No interest is generally charged or imposed on the trade payables for the first 30 days from the date of the invoice or thereafter. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

17 Borrowings

	30 June 2021 $	30 June 2020 $
Current		
Unsecured liabilities:		
Loan from related parties	714	787,518
Loan from third party[1]	748,595	-
Vendor loans[2]	17,215,037	-
Total borrowings	17,964,346	787,518

[1] Debt owed to Lara Exploration for US$570,000 as of 30 June 2021 for the purchase of the phosphate assets in Chile. The amount is unsecured, interest free and payable on demand. The lender agreed to defer the repayment after IPO.

[2] The balance relates to the amount owed to the Chilean vendors by FCGPL Pty Limited (99%) and Kiwanda Chile SA (1%) for the Bahia Inglesa phosphate project. The balance at 30 June 2021 is $17,215,036 (US$ 12,924,999). See the table in Note 15 for the original payment terms in relation to this balance. The balance does not bear any interest. As stated in Note 33, on 19 July 2023 Bifox was granted mining exploitation rights for Selaqueos Caldera tenements as part of the Paleontological Base Line approval from Consejo De Monumentos ("CMN") ("Council of National Monuments Chile").

Subsequently Bifox has been asked to limit production whilst a CMN agreement amendment has been undertaken redefining the CMN Paleontological Handling Plan process and Bifox's mining exploitation phosphate production permitting at the Selaqueos Caldera site.

The remaining balance of the vendor settlement payment of US$4,700,000 payable in 2 equal instalments of 2,350,000 has been extended from February and March 2024 whilst Bifox obtains the new CMN related permitting for Bifox production at the Selaqueos Caldera site.

18 Provisions

	30 June 2021 $	30 June 2020 $
Current		
Employee benefits	76,384	68,695
Total current provisions	76,384	68,695
Non-Current		
Royalties	359,801	179,901
Total non-current provision	359,801	179,901
Total provisions	436,185	248,596

	Employee benefits $	Royalties $	Total $
Opening balance at 1 July 2020	68,695	179,901	248,596
Raised during the year	76,384	179,900	256,284
Unused amounts reversed	(68,695)	-	(68,695)
Balance at 30 June 2021	76,384	359,801	436,185

Provision for royalties:

A provision of $359,801 at 30 June 2021 has been recognised by the Company for royalties in respect of the acquisition of the Phosphate assets.

19 Share-based payments

Share options granted in the year

No options were granted to the Directors during the year ended 30 June 2021. As discussed in Note 20, there were options granted to shareholders during the year ended 30 June 2021.

20 Issued Capital

	30 June 2021 $	30 June 2020 $
Ordinary shares 108,793,103 (2020: 91,047,598) fully paid ordinary shares*	76,938,255	75,608,908

Notes to the Consolidated Financial Statements

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

At the shareholders' meeting each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

	Movements in ordinary shares on issue	**No. of shares**	**$**
	Balance at 1 July 2019	65,960,594	70,305,408
08/08/19	Placement	307,000	72,900
19/09/19	Placement	200,000	50,000
22/10/19	Placement	200,000	40,000
31/10/19	Placement	1,906,000	476,500
14/11/19	Placement	1,140,000	285,000
19/12/19	Placement	1,700,000	425,000
06/02/20	Placement	14,834,004	3,110,500
30/03/20	Placement	5,600,000	1,400,000
25/06/20	Cancellation	(800,000)	(200,000)
	Less: transaction cost		(356,400)
	Balance at 30 June 2020	**91,047,598**	**75,608,908**
	Balance at 1 July 2020		
31/08/20	Placement	400,000	100,000
14/09/20	Placement	21,000	5,250
28/09/20	Placement	549,269	137,317
12/11/20	Kiwanda Alliance (BVI) Inc and Andean Coal (BVI) (Note 15)	13,935,236	422,100
16/11/20	Placement	520,000	130,000
05/01/21	Placement	100,000	25,000
06/01/21	Placement	100,000	25,000
29/04/21	Placement	2,000,000	500,000
12/05/21	Placement	120,000	30,000
	Less: transaction cost		(45,320)
	Balance at 30 June 2021	**108,793,103**	**76,938,255**

The transaction costs are related to capital raising fees.

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the company does not have a limited amount of authorised capital and issued shares do not have a par value.

The unissued ordinary shares of Bifox Limited under option as at 30 June 2021 are as follows:

Details	**Issue date**	**Expiry date**	**Strike price**	**Number of options**
Options granted	01/08/2020	01/08/2022	0.25	300,000
Options granted	01/04/2021	01/04/2023	0.25	200,000
Options granted	01/12/2020	01/12/2022	0.25	100,000
Options granted	15/04/2021	15/04/2023	0.25	5,026,176
Options granted	29/04/2021	29/04/2023	0.25	1,100,000
Options granted	01/05/2021	30/04/2023	0.25	200,000
Balance at 30 June 2021				**6,926,176**

Notes to the Consolidated Financial Statements

Movements in options

Details	Issue date	Expiry date	Strike price	Number of options
Balance at 1 July 2019				**11,656,960**
Options expired	03/04/2018	03/04/2020	0.25	(40,000)
Options expired	16/05/2018	16/05/2020	0.25	(40,000)
Options expired	07/06/2018	07/06/2020	0.25	(20,000)
Balance at 30 June 2020				**11,556,960**
Options granted	01/08/2020	01/08/2022	0.25	300,000
Options expired	02/08/2018	02/08/2020	0.25	(120,000)
Options expired	05/10/2018	05/10/2020	0.25	(706,000)
Options expired	31/10/2018	31/10/2020	0.25	(2,175,400)
Options granted	01/04/2021	01/04/2023	0.25	200,000
Options expired	05/12/2018	05/12/2020	0.25	(8,000,000)
Options expired	10/01/2019	10/01/2021	0.25	(555,560)
Options granted	01/12/2020	01/12/2022	0.25	100,000
Options granted	15/04/2021	15/04/2023	0.25	5,026,176
Options granted	29/04/2021	29/04/2023	0.25	1,100,000
Options granted	01/05/2021	30/04/2023	0.25	200,000
Balance at 30 June 2021				**6,926,176**

21 Other equity

	30 June 2021 $	30 June 2020 $
Contribution to capital[1]	2,233,393	1,047,336

Movements	30 June 2021 $	30 June 2020 $
At the beginning of the year	1,047,336	-
Loans forgiven	1,186,057	1,047,336
Balance at end of the year	2,233,393	1,047,336

[1] Contribution to capital includes shareholders loans that are no longer payable. The loans were treated as transactions with owners in their capacity as owners and consequently the transactions have been taken directly into the Statement of Changes in Equity rather than through the Statement of Profit or Loss and Other Comprehensive Income.

Notes to the Consolidated Financial Statements

22 Reserves and Accumulated losses

a) Reserves	30 June 2021 $	30 June 2020 $
Shareholder placement fee	(105,597)	(105,597)
Options reserve	983,492	983,492
Foreign exchange reserve	(109,675)	10,467
	768,220	888,362
Movements:		
Shareholder placement fee		
At the beginning of the year	(105,597)	(105,597)
Balance at end of the year	(105,597)	(105,597)
Options reserve		
At the beginning of the year	983,492	983,492
Balance at end of the year	983,492	983,492
Foreign exchange reserve		
At the beginning of the year	10,467	(3,960)
Foreign currency translation	(120,142)	14,427
Balance at end of the year	(109,675)	10,467

Shareholder placement fee
The reserve is used to recognise placement fees for capital raising.

Option reserve
The reserve is used to recognise contingent shares and options to be used subject to meet certain criteria arising from the acquisition of Kiwanda Alliance BVI (Inc) and Andean Coal (BVI). See Note 14.

Foreign exchange reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

b) Accumulated losses	30 June 2021 $	30 June 2020 $
Movements in accumulated losses were as follows:		
Accumulated losses at the beginning of the year	(71,153,592)	(70,202,807)
Adjustment accumulated loss due to AASB16	-	(4,118)
Net loss attributable to member of Bifox Limited	(1,074,422)	(946,667)
Accumulated losses at the end of the financial year	(72,228,014)	(71,153,592)

Notes to the Consolidated Financial Statements

23 Controlled entities

	Country of Incorporation	Percentage owned 30 June 2021	Percentage owned 30 June 2020
Tectonic Systems Pty Ltd	Australia	100%	100%
Tectonic Management Pty Ltd	Australia	100%	100%
Kiwanda Australia Pty Ltd	Australia	100%	100%
FCGPL Pty Ltd	Australia	100%	-
Fosfatos de Caldera SpA	Chile	100%	100%
KIwanda Chile S.A.	Chile	100%	50%
Compania Minera de Fosfatos Minerales S.A.	Chile	100%	-
Sociedad Contractual Minera Bahia Inglesa Limitada	Chile	100%	-
Kiwanda Alliance (BVI) Inc.	British Virgin Island	100%	50%
Andean Coal (BVI)	British Virgin Island	100%	50%

24 Commitments and Contingencies

Kiwanda Mines (NA) LLC

In February 2014 various agreements were entered into between Kiwanda Mines (NA) LLC ("Kiwanda Mines"), Spar Capital Nominees Pty Limited, Mark Sumner and a "Newco" to be formed in terms of the agreement. Kiwanda Australia Pty Limited (Kiwanda Australia) was subsequently formed as "Newco" in terms of that Heads of Agreement. The documents included a Heads of Agreement, a Shareholders Agreement, a Novation Deed, and a Loan Agreement.

The Heads of Agreement required that the parties execute a Novation Deed so as to cause Newco (Kiwanda Australia) to be indebted to Kiwanda Mines for the amounts of $700,000. A Novation Deed and Loan Agreement were executed as required in terms of the Heads of Agreement.

This loan is non-recourse to Kiwanda Australia Pty Ltd and is repayable upon the occurrence of certain events and if those events do not arise then no amounts are due and payable by Kiwanda Australia Pty Ltd.

Acquisition of Kiwanda Alliance (BVI) Inc and Andean Coal (BVI)

The contingent consideration in relation to the acquisition of Kiwanda Alliance (BVI) Inc and Andean Coal (BVI) remains unpaid and potentially payable on completion of the milestones referred to in Note 14.

Tectonic Resources and Tectonic Systems Pty Ltd

On 18 April 2016 the Company received a claim for an Access and Compensation Agreement entered into by its subsidiaries Tectonic Resources and Tectonic Systems Pty Ltd back in 2003. This Agreement provided for (among other things) a) an extension of term of the original Agreement (1999 Agreement), b) the payment of the sum of $1,400 per month where the term of the 2003 Agreement exceeds 18 months and c) obligations as to rehabilitation on an ongoing basis and upon the termination of the 2003 Agreement. The Directors are aware of a potential claim for no more than $181,720. The Directors consider that there are grounds for the Company rejecting this claim in its entirety.

Notes to the Consolidated Financial Statements

25 Cash flow information

Reconciliation of cash flows from operating activities	30 June 2021 $	30 June 2020 $
Cash flows from operating activities		
Loss for the year	(1,074,422)	(946,667)
Adjustments for:		
Depreciation	116,280	151,689
Interest accrued	-	89,634
Foreign exchange	(492,910)	1,070,962
Operating loss before changes in working capital and provisions	(1,451,052)	365,618
Change in trade and other debtors	(277,065)	(1,377)
Change in other assets	(1,232)	(1,858)
Change in inventory	(371,771)	-
Change in trade and other payables	1,645,471	(1,246,062)
Change in provisions	7,689	6,886
Net cash used in operating activities	(447,960)	(876,793)

Non-cash transactions

During the current year, the Group did not enter into any other non-cash investing and financing activities which are not reflected in the consolidated statement of cash flows.

26 Financial risk management and financial instruments

Overview

The Company and Group have exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk (including currency risk, equity price risk and interest rate risk)

This note presents information and quantitative disclosures about the Company and Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Company and Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company and Group's activities. The Company and Group, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group and Company's cash and cash equivalents and trade and other receivables.

Notes to the Consolidated Financial Statements

Exposure to credit risk

The carrying amounts of the Group's financial assets represent the maximum credit exposure and were as follows at the reporting date:

	Note	30 June 2021 $	30 June 2020 $
Current financial assets			
Cash and cash equivalents	8	273,806	1,368
Trade and other receivables	9	405,920	128,855
Total financial assets		679,726	130,223

The Group and Company's short-term cash surpluses are placed with banks that have investment grade ratings. The Board analyses each new customer individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Considering the nature of the Group's ultimate customers and the relevant terms and conditions entered into with such customers, the Group believes that its credit risk exposure is limited.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient liquidity to meet expected operational expenses for a period of 180 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements:

	Carrying amount $	Contractual cash flows $	Within 1 year $	1 to 5 years $	Over 5 years $
2021					
Non-derivative financial liabilities					
Trade and other payables	6,191,070	-	3,501,552	1,344,759	1,344,759
Borrowing	17,964,346	-	17,964,346	-	-
	24,155,416	-	21,465,898	1,344,759	1,344,759
2020					
Non-derivative financial liabilities					
Trade and other payables	1,856,081	-	1,856,081	-	-
Borrowing	787,518	-	787,518	-	-
Lease liability	151,544	-	151,544	-	-
	2,795,143	-	2,795,143	-	-

(iii) Market risk

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

Notes to the Consolidated Financial Statements

Interest rate risk

At 30 June 2021 the only financial instrument subject to interest rate risk was the Company's cash holdings.

	Weighted average interest rate	Fixed interest maturing in: 1 year or less $	1 to 5 years $	Non-interest bearing $	Floating interest rate $	Total $
2021						
Financial assets						
Cash and cash equivalents	-	-	-	273,806	-	273,806
Trade and other receivables	-	-	-	405,920	-	405,920
		-	-	679,726	-	679,726
Financial liabilities						
Trade and other payables	-	-	-	6,191,070	-	6,191,070
Borrowings - current	-	-	-	17,964,346	-	17,964,346
		-	-	24,155,416	-	24,155,416
2020						
Financial assets						
Cash and cash equivalents	-	-	-	1,368		1,368
Trade and other receivables	-	-	-	128,855	-	128,855
		-	-	130,223	-	130,223
Financial liabilities						
Trade and other payables	-	-	-	1,856,081	-	1,856,081
Borrowing - current	15.00%	-	-	787,518	-	787,518
Lease liability	5.00%	-	-	-	151,544	151,544
		-	-	2,643,599	151,544	2,795,143

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates on fixed rate instruments at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 1.00% in interest rates at the reporting date would have increased (decreased) equity and profit or loss of the Group and the Company by the amounts shown below.

	Profit or loss		Equity	
	1.00% Increase $	1.00% decrease $	1.00% increase $	1.00% decrease $
2021				
Variable rate financial assets	-	-	-	-
Cash flows sensitivity	-	-	-	-
2020				
Variable rate financial assets	-	1,058	-	1,058
Cash flows sensitivity	-	1,058	-	1,058

Notes to the Consolidated Financial Statements

Currency risk sensitivity analysis

The Consolidated entity is exposed to movements in US dollars and Chilean Pesos. The following details the Consolidated entity's sensitivity to a 10% increase and a 10% decrease in the Australian dollar against the relevant currencies.

	30 June 2021 $	30 June 2020 $
AUD increase of 10% against USD and Chilean Pesos		
Profit or loss	13,213	(76,137)
AUD decrease of 10% against USD and Chilean Pesos		
Profit or loss	(16,149)	326,749

(iv) Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of cash and cash equivalents, and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated losses as described in Notes 21 and 23 to the financial statements. The Company is currently in the process of an equity capital raising to increase its liquid funds and this will enable the Company to continue as a going concern for the foreseeable future.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

(v) Fair values

The carrying amounts of financial assets and liabilities recognised in the consolidated financial statements approximate their fair values.

27 Key management personnel compensation

Compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below.

	30 June 2021 $	30 June 2020 $
Aggregate compensation	671,511	576,311

Notes to the Consolidated Financial Statements

28 Related party transactions

Parent entity
Bifox Limited is the parent entity and the ultimate parent company of the Group.

Receivable from and payable to related parties

	30 June 2021 $	30 June 2020 $
Current payables:		
Mark Sumner	693,976	695,949
Tim Koster	726,914	557,300
Spar Capital Partners	-	207,430

As disclosed in Note 15, during the financial year ended 30 June 2021 the shares in FCGPL Pty Ltd that were previously owned by Chris West, Tim Koster and Mark Sumner were transferred to Bifox Limited for nil consideration. FCGPL Pty Ltd owns 99% of the Bahia Inglesa tenements through its Chilean subsidiaries, Sociedad Contractual Minera Bahia Inglesa Limitada and Compania Minera de Fosfatos Naturales S.A. See Note 15 for other relevant information regarding this and other related transactions.

Please see Notes 14, Note 15, Note 16, Note 17 and Note 33 for additional information in relation to related party transactions.

Apart from the details disclosed, no Director has entered into a material contract with the Company or the Group since the end of the financial year and there were no other material contracts involving Directors' interests existing at the end of the year.

Loan from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	30 June 2021 $	30 June 2020 $
Current borrowings:		
Spar Capital Nominees Pty Limited	-	346,697
Kiwanda Mines NA LLC	-	439,597
Mauricio Martinez	714	1,224
	714	787,518

29 Auditors' remuneration

During the financial year the following fees were paid or payable for services provided by the auditor of the Company, its network firms and unrelated firms:

	30 June 2021 $	30 June 2020 $
Audit of the financial statements		
RSM Australia	50,000	50,000
Other services	8,000	8,000
	58,000	58,000

Notes to the Consolidated Financial Statements

30 Changes in liabilities arising from financing activities

	Total loans
Balance at 1 July 2019	**2,495,822**
Cash flows	(1,708,203)
Balance at 1 June 2020	**787,518**
Cash flows	(38,209)
Balance at 30 June 2021	**749,309**

31 Events subsequent to balance date

On 19 July 2023 Bifox was granted mining exploitation rights for Selaqueos Caldera tenements as part of the Paleontological Base Line approval from Consejo De Monumentos ("CMN") ("Council of National Monuments Chile").

Subsequently Bifox has been asked to limit production whilst a CMN agreement amendment has been undertaken redefining the CMN Paleontological Handling Plan process and Bifox's mining exploitation phosphate production permitting at the Selaqueos Caldera site.

On 10 January 2024, the Group reached an agreement with Chilean vendors to reduce the remaining amount to be settled to US$5,000,000 for tenements related to Bahia Inglesa project. Upon the signing of the amendment, the Group paid US$300,000. The remaining balance of the vendor settlement payment of US$4,700,000 payable in 2 equal instalments of 2,350,000 has been extended from February and March 2024 whilst Bifox obtains the new CMN related permitting for Bifox production at the Selaqueos Caldera site..

On 11 March 2024, The Group has resolved to issue 3,944,476 and 7,060,031 shares for repayment of the outstanding director fees payable from 2014 to June 2024 to Mark Sumner and from 2014 to August 2023 to Tim Koster.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Notes to the Consolidated Financial Statements

32 Parent entity disclosures

Financial position

	30 June 2021 $	30 June 2020 $
Assets		
Current assets	236,037	53,998
Non-current assets	13,401,780	12,427,879
Total assets	13,637,817	12,481,877
Liabilities		
Current liabilities	1,630,382	2,720,703
Non-current liabilities	527,406	302,603
Total liabilities	2,157,788	3,023,306
Equity		
Issued capital	76,938,255	75,608,908
Other equity	2,233,393	1,047,336
Reserves	816,986	(166,506)
Retained losses	(68,508,605)	(67,031,167)
Total equity	11,480,029	9,458,571

Statement of profit or loss and other comprehensive income

	30 June 2021 $	30 June 2020 $
Loss for the year	(1,477,438)	(879,649)
Total comprehensive loss	(1,477,438)	(879,649)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity and some of its subsidiaries are party to a deed of cross guarantee under which each company guarantees the debts of the others.

	30 June 2021 $	30 June 2020 $
Bank guarantee	-	99,940

Contingent liabilities

	30 June 2021 $	30 June 2020 $
Contingent liabilities	181,720	181,720

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 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.
- Dividends received from subsidiaries are recognised as other income by the parent entity.

Notes to the Consolidated Financial Statements

33 Restatement of comparatives

The Directors had agreed not to receive a portion of their remuneration in cash from a period from June 2014 to June 2024. These fees were not correctly accrued during this period resulting in a number of errors in the preceding financial years. The Directors elected to correct these errors in the 2021 financial year and re-issue the financial statements for the year ended 30 June 2021 that were previously issued on 29 April 2022. There were a number of other smaller adjustments the effects of which are immaterial. The effect of the correction of these misstatements is reflected in the table below:

Statement of profit or loss and other comprehensive income

	30 June 2020 $ Reported	$ Adjustment	30 June 2020 $ Restated
Extract			
Other income	49,285	10,364	59,649
Foreign exchange gains	-	2,324	2,324
Corporate and administrative expenses	(658,072)	(11,324)	(669,396)
Loss before income tax expense	**(948,031)**	**1,364**	**(946,667)**
Income tax expense	-	-	-
Loss for the year	**(948,031)**	**1,364**	**(946,667)**
Total comprehensive income/(loss) for the year	**113,732**	**1,364**	**115,096**

Statement of financial position

	30 June 2020 $ Reported	$ Adjustment	30 June 2020 $ Restated
Total assets	**9,557,455**		**9,557,455**
Liabilities			
Current liabilities			
Trade and other payables	878,748	977,333	1,856,081
Borrowings	895,188	(107,670)	787,518
Total current liabilities	**1,994,175**	**869,663**	**2,863,838**
Net assets	**7,260,677**	**869,663**	**6,391,014**
Equity			
Accumulated losses	(70,283,929)	869,663	(71,153,592)
Total equity	**7,260,677**	**869,663**	**6,391,014**