



PEARL GULL IRON

PEARL GULL IRON LIMITED

(formerly Pearl Gull Pty Ltd)

ACN 621 103 535

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

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CORPORATE DIRECTORY

Directors

Russell Clark – Non-Executive Chairman
Alexander Passmore - Director
Jonathan Fisher - Director
Catherine Moises - Non-Executive Director

Company Secretary

Matthew Worner

Chief Financial Officer

Silfia Morton

Registered Office

945 Wellington Street
West Perth, WA 6005
Telephone: +61 8 9322 7600
Email: admin@pearlgulliron.com.au

Auditor

KPMG
235 St Georges Terrace
Perth, WA 6000

Banker:

Westpac Banking Corporation
40 St George's Terrace
Perth WA 6000

Stock Exchange Listing

Australian Securities Exchange (ASX)
ASX Code: PLG

Share Registry

Automic Group
Level 2, 267 St Georges Terrace
Perth, WA 6000

Email: hello@automic.com.au

Website: www.automic.com.au

Legal Advisers and Tenement Solicitors

Gilbert & Tobin
Level 16, Brookfield Place
Tower 2, 123 St George Terrace
Perth, WA 6000

Company Website

<https://www.pearlgulliron.com.au/>

CHAIRMAN LETTER

Dear Investor,

On behalf of the Board of Directors, it is my pleasure to present Pearl Gull Iron Limited's ("**Pearl Gull or Company**") first Annual Report since its successful listing on the ASX on 20th September 2021. I take this opportunity to thank our directors and management, the team of consultants and of course the very supportive investor group that made this listing possible. The potential opportunities for Pearl Gull have now become much closer to becoming real.

Pearl Gull's main undertaking is the exploration for, and future potential production of iron ore from its 100% held and operated mining lease M04/235 which covers a significant portion of Cockatoo Island in Western Australia.

Cockatoo Island has had a rich history of iron ore mining commencing in the 1950s. From 1951 to 2012, over 45Mt of ultra-high-grade, low impurity direct shipping ore was mined and shipped from the adjoining Mining Lease. Pearl Gull's Mining Lease covers a significant portion of Cockatoo Island and is targeting high-grade mineralisation on Cockatoo Island in the following locations:

- the along strike extension to the adjacent previously mined ore zones, and
- structurally repeated iron ore on the northern side of Cockatoo Island within the Mining Lease, in an area previously unexplored.

The tenements we have provide Pearl Gull with not only high-grade exploration potential but also strategic positioning with respect to infrastructure required for both Pearl Gull's planned operations, and the operations of third parties looking to conduct mining works or other operations on Cockatoo Island. This important infrastructure includes an airstrip, access to fresh water aquifers and rock armour and ballast product from a quarry.

Pearl Gull has developed a geological model which has led to the submission of two programs of work with the Department of Mines, Industry Regulation and Safety to explore for high-grade iron ore in three target areas being the Switch Pit, North Bay, and the Magazine Pit.

As part of its work, the Company is investigating the potential for:

- high-grade iron ore mineralisation in commercial quantities;
- economic development of lower grade iron ore mineralisation (beneficiation); and
- quartzite building and ballast material to be quarried from the Mining Lease for use in offshore pipelines and infrastructure.

The Company has been undertaking a drilling program on the Mining Lease since July 2021 and this will continue until late October 2021 (the end of the drilling season), following which the results will be collated and interpreted. Initial results are expected in the last quarter of calendar year 2021. The diamond drilling program is testing all three of the target areas mentioned previously.

The Company has in place a well-qualified and experienced Board and management team with a strong mix of technical, financial, and commercial skills to progress Pearl Gull's asset targeting exploration success and shareholder value.

More recently we have seen the price for iron ore fall significantly and it's worth highlighting two important aspects that work in Pearl Gull's favour:

- The high iron ore grade and low impurity levels of ore on Cockatoo Island have historically provided a premium to the 62%Fe spot price that is generally quoted;
- Pearl Gull's tenements are on Cockatoo Island, not far from Mt Gibson's mining operations on Koolan Island from where iron ore shipments regularly occur – we are not constrained by huge road transport distances to ship iron ore, in the event our exploration results in commercial quantities of ore.

I welcome you as a new shareholder to Pearl Gull and again thank you for participating in what we believe to be exciting times ahead for the Company.

Yours faithfully,



Russell Clark
Non-Executive Chairman

PROJECT

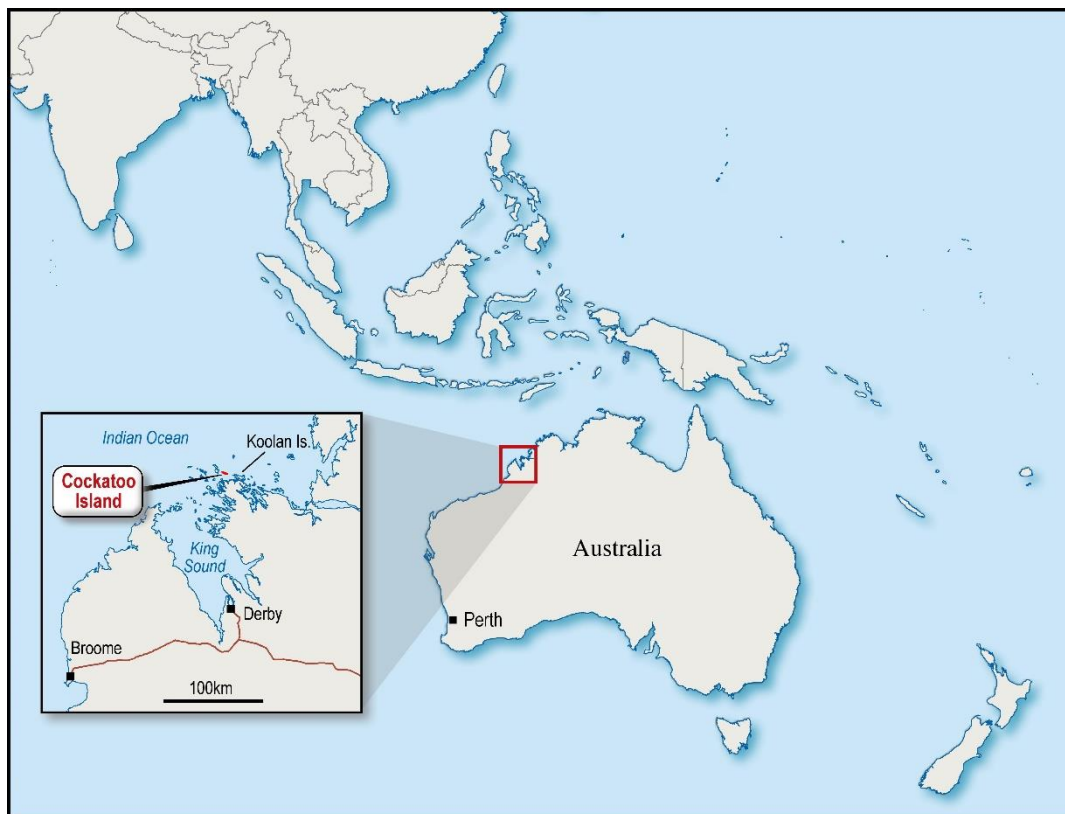
Cockatoo Island is located within the Buccaneer Archipelago in the West Kimberley Division of Western Australia. Access to Cockatoo Island is via commercial flights to Broome or Derby, followed by a charter flight, or boat, to Cockatoo Island.

Cockatoo Island has had a rich history of iron ore mining commencing in the 1950s. From 1951 to 2012, over 45Mt of ultra-high-grade, low impurity direct shipping ore was mined and shipped. None of this mining was conducted on the Tenements held by Pearl Gull, rather it came from an adjoining mining lease. However, Pearl Gull owns a Mining Lease covering a significant portion of Cockatoo Island and is targeting high-grade mineralisation in the following locations:

- the along strike extension to the adjacent previously mined ore zones, and
- structurally repeated (i.e. daylighting hinge of an anticline) iron ore within the Cockatoo Formation on the northern side of Cockatoo Island within the Mining Lease.

The Project provides Pearl Gull with not only high-grade exploration potential but also strategic positioning with respect to infrastructure required for both Pearl Gull's planned operations, and the operations of third parties looking to conduct mining works or other operations on Cockatoo Island. This important infrastructure includes an airstrip, access to fresh water aquifers and rock armour and ballast product from a quarry.

The Project comprises three key areas being the **Switch Pit**, **North Bay** and the **Magazine Pit**.



Location of Cockatoo Island in Western Australia

PROJECT

Details of the tenements that make up the Project are set out in the table below (**Tenements**):

Name	Type	Status	Pearl Gull Interest (%)
M04/235	Mining Lease	Granted	100
L04/102	Miscellaneous Licence	Granted	100
L04/103	Miscellaneous Licence	Granted	100
P04/299	Prospecting Licence	Application	100
L04/120	Miscellaneous Licence	Application	100
L04/121	Miscellaneous Licence	Application	100
L04/122	Miscellaneous Licence	Application	100
L04/123	Miscellaneous Licence	Application	100

Local Geology and Mineralisation

(i) Geology

The Kimberley Basin is a large structural basin occupying most of the Kimberley region with sediments of Lower-Mid Proterozoic age being dominant. The Yampi ore bodies lie at the western end of the north-west / south-east trending King Leopold Mobile Zone, which forms the south western border of the Kimberley Basin. Haematite concentration occurs in the basal Yampi member of the Pentecost Sandstone in the Kimberley group.

Geological mapping on Cockatoo Island has delineated a 550m thick package of conformable clastic sediments. These have been divided into 8 informal “formations” and form a semi-layer cake sequence on Cockatoo Island that has then been folded such that the bedding planes now mostly dip steeply to the south west and strike north-west / south-east.



Tenement Map of Cockatoo Island showing the Company's Tenements

The geological structure on Cockatoo Island is dominated by folding with three major folds, one anticline and two synclines, being present. All folds are overturned and have axial planes that run parallel with the long axis of Cockatoo Island. Minor normal faults, normally dip-slip or oblique, disrupt the beds.

PROJECT

Previously mined mineralisation (outside of the Project but immediately adjacent and along strike to the north-west) occurs at the base of the Cockatoo Formation where it forms part of the clastic sedimentary assemblage.

(ii) Mineralisation

The strata of Cockatoo Island comprise the Yampi Formation, which is the uppermost unit of the Kimberley Group, of Early Proterozoic age. Regionally they overlie the Pentecost Sandstone, although at Cockatoo Island they commonly directly overlie the Elgee Siltstone (which is stratigraphically lower than the Pentecost Sandstone). This is attributed to 'onlap' during deposition of the Yampi Formation.

Haematite ore occurs at the base of the Yampi Formation. The study of the heavy mineral abundances suggests that the ores have formed through the concentration of detrital haematite by reworking and winnowing an ancient beach or sand-bar. The ore body which is mined out to approximately 40m below sea level comprises a single haematitic arenite bed cropping out pre-mining as dip slope along the southern side of Cockatoo Island. The bed has been intersected by drilling at over 210m below sea level.

Switch Pit

Haematite mineralisation can be observed along strike from the historical mine in the ramp in the Switch Pit area. The occurrence of the haematite bands in the footwall stratigraphy is typical of the footwall to the previously mined sea wall haematite mineralisation with the abundance of these haematite bands increasing toward the main thick massive seawall haematite mineralisation.

North Bay

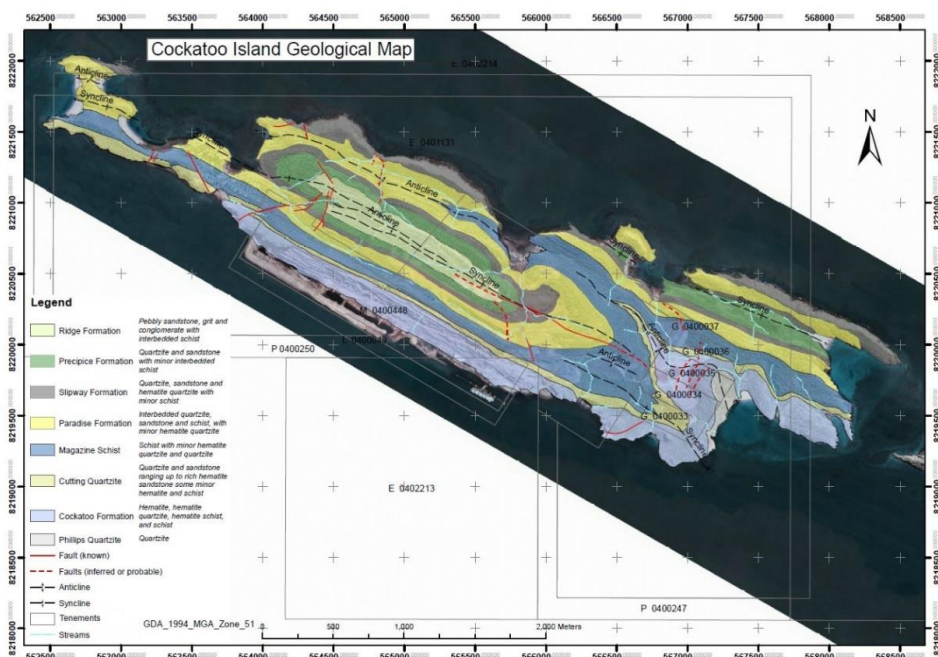
Work undertaken by the Company at Cockatoo Island has identified the potential for high-grade structural repeats on the northern side of Cockatoo Island.

The shallowest structural position of the prospective horizon repeating is in the north east part of the Tenements. Accordingly, and as set out in the Company's proposed work program, this area has been the focus of initial exploration work. There are several areas of outcropping high-grade haematite which support this interpretation.

This type of repeat is present at the nearby Koolan Island (owned by Mount Gibson Iron Ltd) with Acacia, Barramundi, Eastern and Mullet pits in the central and northern parts of that island along strike equivalent positions of the stratigraphy that Pearl Gull Iron is targeting at Cockatoo Island.

Magazine Pit

The Magazine Pit area is located in the south eastern part of the Tenements. It is underlain by Magazine Schist (stratigraphically above the Cockatoo Formation). However, within the Magazine Schist there are haematite rich bands with quartzite. Previous explorers have examined the area (via completing 25 reverse circulation (RC) holes) for beneficiation grade iron ore (20 to 40% Fe). The company is planning to drill confirmatory holes in this area.



PROJECT

Recent Cockatoo Island exploration

Pearl Gull's granted Tenements were transferred to the Company in October 2018. Since this time, exploration has included reconnaissance visits to determine the first stage of proof that the geology is permissive for discovery of extensions to the Seawall deposit, new locations for the Cockatoo Formation hosted iron ore along a parallel anticlinal fold hinge position analogous to Koolan Island, and possible beneficiation ore and potential ballast sources.

This recent work, along with review and compilation of earlier historical exploration work and results, has been pooled by the Company to define the next stage of exploration required at the Project.

The potential of the ground held by Pearl Gull surrounding the historic Cockatoo Island haematite mine is to find new structural positions of the rich haematite unit that was mined by third parties from 1951 until 2015. In addition, several areas with geology potentially suitable for beneficiation processing to produce an enriched ore have been identified with initial drilling and test work in some areas conducted by previous operators.



The North Bay target with haematite rich sands interpreted to be sources from outcropping haematite to the east of the bay



Mineral Resource estimates

There are no currently defined Mineral Resources on the Tenements. However, there are well drilled areas that may be able to be the subject of Mineral Resource estimates in accordance with JORC Code 2012 once the Company has verified the drilling and assay data with confirmatory drilling and assaying.

DIRECTORS' REPORT

The directors of Pearl Gull Iron Limited (formerly Pearl Gull Pty Ltd) ("Pearl Gull or the Company") present their Financial Report for the year ended 30 June 2021.

Directors

The names of the directors of the Company during or since the end of the year are:

- Ian Macliver (appointed 15 August 2017, resigned 29 March 2021)
- Aaron Constantine (appointed 15 August 2017, resigned 7 December 2020)
- Russell Clark (appointed 1 July 2021)
- Alexander Passmore (appointed 15 August 2017)
- Jonathan Fisher (appointed 1 February 2021)
- Catherine Moises (appointed 1 February 2021)

Mr Passmore and Mr Fisher are currently acting in an executive capacity until the Company establishes a full management team.

The above directors held office since the start of the financial year to the date of this report, unless indicated otherwise.

Principal activities

The Company is a public listed company and incorporated in Australia. The Company is domiciled in Australia and was incorporated on 15 August 2017.

The principal activities of the Company during the year were:

- maintenance and evaluation of its tenement package; and
- necessary corporate activities to strategically position the Company for the future.

Review of operations

The Company generated a net loss of \$2,426,025 (2020: \$491,668) for the financial year ended 30 June 2021.

Significant changes in the state of affairs

During the year the Company changed its status from a propriety limited to a public unlisted company.

In addition, during the year Pearl Gull entered into a Deed of Confirmation with its parent entity, Cockatoo Iron NL ("Cockatoo"), whereby both parties agreed to undertake the following steps to settle an inter-company loan:

- Pearl Gull made a cash payment of \$835,000 to Cockatoo on 18 January 2021;
- On 15 January 2021, Pearl Gull entered into agreements with the holders of Cockatoo Iron Convertible Notes, whereby Pearl Gull agreed to acquire a total of 1,334,774 Cockatoo Iron convertible notes having a face value of \$1,334,774, and issued 1,334,774 Convertible Notes to the Cockatoo Iron noteholders (Roll-up convertible notes);
- On 15 January 2021, Pearl Gull entered into deeds of assignment with Cockatoo whereby Pearl Gull assumed Cockatoo Iron liabilities for a total of \$144,477, being the amounts owing to the trade creditors of Cockatoo. Pearl Gull then issued 144,477 convertible notes to the trade creditors; and
- On 15 January 2021, Pearl Gull issued 43,250,000 ordinary shares to Cockatoo to settle the remaining loan payable to Cockatoo Iron.

Nil balance of inter-company loan remained outstanding as at 30 June 2021.

Following the above settlement, Pearl Gull issued 1,457,000 Convertible Notes (January 2021) with a face value of \$1, 2,332,505 Convertible Notes (February 2021) with a face value of \$1, and 775,000 Convertible Notes (May 2021) with a face value \$1, and raised a total \$4,564,505 before costs. As part of May 2021 Convertible Notes, the Company issued a further 25,000 Convertible Notes (May 2021) with a face value of \$1 subsequent to year end. The funds raised from the Convertible Notes were used to fund corporate and exploration activities, and also to fund the Company listing process. The Company successfully listed on the ASX on 20 September 2021. (refer to subsequent event disclosure note for further details.)

No other significant changes in the state of affairs of the Company occurred during the financial year.

DIRECTORS' REPORT

Shares and Options on issue

At the date of this report, the following ordinary shares and options over the ordinary shares in Pearl Gull Iron Limited are on issue and outstanding:

Security type	No of Securities	Exercise Price	Expiry Date
Ordinary Shares	100,027,858	-	-
Options	56,777,857	\$0.30	13 Sept 2024
Unlisted Incentive Options	9,470,000	Nil	1 Jun 2026

Indemnification and insurance of directors and officers

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

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

Future developments

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

Environmental regulations

The directors are not aware of any material breach of any environmental regulations under the Commonwealth or any State legislation or in any country applicable to the Company's operations.

Dividends

No dividends were paid out during the financial year. The directors do not recommend the payment of any dividend in respect of the current financial year.

Events after the reporting date

On 22 July 2021 Pearl Gull Iron lodged a Prospectus to ASIC for an offer of 17,500,000 to 20,000,000 ordinary shares in the capital of Pearl Gull Iron at a price of \$0.20 per share, together with one free attaching option for every share issue to raise between \$3.5 million to \$4 million (before costs). Subsequently, a replacement Prospectus was lodged to ASIC on 5 August 2021, to rectify rounding errors relating to the number of Convertible Notes on issue.

The Company satisfied the listing conditions, and subsequently listed on the ASX on 20 September 2021, with a ticker of PLG. On listing, the Company raised \$4 million before costs via issue of 20,000,000 ordinary shares at \$0.20 per share and 20,000,000 free-attaching options with an exercise price of \$0.30 each and expiring on 13 September 2024. In addition, upon listing the Convertible Notes on issue were converted into 36,777,857 ordinary shares together with 36,777,857 Convertible Note Options with an exercise price of \$0.30 each and expiring 13 September 2024.

On completion of the Offer, the Company also confirmed that:

- the conversion of the January 2021 Notes to 18,351,305 Shares in Pearl Gull Iron Limited at a conversion price of \$0.16 and the issue of 18,351,305 Convertible Note Options;
- the conversion of the February 2021 Notes to 13,720,651 Shares at conversion price of \$0.17 and the issue of 13,720,651 Convertible Note Options;
- the conversion of the May 2021 Notes to 4,705,901 Shares in Pearl Gull Iron Limited at conversion price of \$0.17 and the issue of 4,705,901 Convertible Note Options; and
- settlement in cash of the interest on the convertible notes accrued at 10% per annum.

DIRECTORS' REPORT

Events after the reporting date (continued)

Capital Structure post-IPO:

Security	Number
Ordinary Shares	100,027,860
Options exercisable at \$0.30 each, expiring 13 September 2024	56,777,859
Incentive Options issued to Key Personnel with a nil exercise price, expiring 1 June 2026	9,470,000

Other than the points noted above, there has not been any matter or circumstance that has arisen since the end of the financial period that has significantly affected, or may significantly affect the operations of the Company, and the results of those operations, or the state of affairs of the Company in future financial years.

DIRECTORS' REPORT

INFORMATION ON DIRECTORS

Names, Qualifications, Experience and Special Responsibilities

Name	Russell Clark
Title:	Independent Non-Executive Chairman (<i>Appointed 1 July 2021</i>)
Qualifications:	B.Science, GradDipFinInv, Fellow of AICD
Experience and expertise, and other current directorships:	Mr Clark is an internationally experienced executive mining professional with over 40 years' experience in board, senior corporate, operational and project development roles. He holds a Bachelor of Science (Hons) in Mineral Resources Engineering from the Royal School of Mines and a Graduate Diploma in Finance and Investment Analysis from the Securities Institute of Australia. Mr Clark has held board and management roles and has been managing director and CEO at various ASX listed mining companies. Mr Clark is presently a Non-executive Director of Tungsten Mining Limited and CZR Resources Limited, and is a Fellow of the Australian Institute of Company Directors.
Former directorships in the last three years:	Non Executive Director – Tungsten Mining Limited

Name	Alex Passmore
Title:	Director (<i>Appointed 1 February 2021</i>)
Qualifications:	B.Sc (Hons), GradDipAppFin, FIASIG, GAICD
Experience and expertise, and other current directorships:	Mr Passmore is a qualified geologist with extensive corporate experience. He holds a Bachelor of Science degree with First Class Honours in Geology from the University of Western Australia and a Graduate Diploma of Applied Finance from the Securities Institute of Australia. Mr Passmore is an experienced corporate executive and company director and currently acts as Managing Director of ASX listed Rox Resources Limited. Mr Passmore has previously acted as non-executive (and executive) director of Equator Resources Ltd/Cobalt One Ltd (which merged with TSX-listed First Cobalt Corp), non-executive director of Aspire Mining Ltd, and CEO of Draig Resources (now Bellevue Gold Ltd). Mr Passmore is a current director of Cockatoo Iron, the parent company of the Company and is a Non-executive Director of Cannon Resources Limited.
Former directorships in the last three years:	Blencowe Resources Limited (London listed)

Name	Jonathan Fisher
Title:	Director (<i>Appointed 1 February 2021</i>)
Qualifications:	B.Com, B.Law, GradDipAppFin, MAppFin, GAICD, F.Fin
Experience and expertise, and	Mr Fisher is an experienced corporate finance and mining executive. He was formerly CFO of Tellus Holdings Ltd, where he was extensively involved in that Company's accounting, reporting, corporate finance transactions and

DIRECTORS' REPORT

other current directorships:	relationships, as well as Government approval functions. Prior to this he was general manager corporate finance at Atlas Iron Limited and was responsible for banking and investment banking functions as well as investment analysis, treasury and various other functions. Mr Fisher is currently CFO of ASX listed TNG Ltd. He holds a Bachelor of Commerce and Bachelor of Laws from the University of Western Australia, a Graduate Diploma of Applied Finance from the Securities Institute of Australia and a Master of Applied Finance from Macquarie University.
Former directorships in the last three years:	None.

Name	Catherine Moises
Title:	Non-Executive Director (<i>Appointed 1 February 2021</i>)
Qualifications:	B.Science (Hons), DipFinInv
Experience and expertise, and other current directorships:	Ms Moises has extensive experience in the resources sector having worked as a senior resources analyst for several major stockbroking firms including McIntosh (now Merrill Lynch), County Securities (now Citigroup) and Evans and Partners where she was a partner of that firm. Most recently, between 2017 and 2019, Ms Moises was Head of Research at Patersons Securities Limited. Ms Moises has substantial experience in company management, capital markets and institutional investor engagement. She is currently Non-Executive Director of Arafura Resources Limited and WA Kaolin Limited. Ms Moises holds a Bachelor of Science with Honours in Geology from the University of Melbourne and a Diploma of Finance and Investment from the Securities Institute of Australia.
Former directorships in the last three years:	None.

Company Secretary and Chief Financial Officer

Matthew Worner – Company Secretary (*Appointed 28 April 2021*)

Mr Worner is a Corporate Advisor at Grange Consulting Group Pty Ltd, where he specialises in corporate advisory, company secretarial and financial management services. Mr Worner is a former lawyer, with a broad experience in IPOs, capital raisings, Listing Rules and Corporations Act issues. Mr Worner has held management, company secretarial and board positions with various ASX and AIM listed companies. Mr Worner was previously company secretary for Tap Oil Limited (ASX: TAP) and is currently a director of Talon Petroleum Limited (ASX: TPD).

Silfia Morton – Chief Financial Officer (*Appointed 28 April 2021*)

Ms Morton is a corporate advisor at Grange Consulting Group Pty Ltd and specialises in financial management, financial reporting services, and risk compliance and management. She spent twelve years as senior audit manager at one of the leading international Audit Tax & Advisory firms where she was focused on engagements across the mining, technology and manufacturing sectors. She has experience in both the local and international markets and was responsible for managing the assurance and compliance requirements of a diversified group of large, medium, and small size companies in a range of industries. Ms Morton was previously joint company secretary and Chief Financial Officer for Ardiden Limited (ASX: ADV).

DIRECTORS' REPORT

Interest in the Share and Options of the Company

As at the date of this report, the interest of the Directors in the shares and options of the Company were:

Name	Shareholding ¹	Incentive Options ¹	Convertible Note Options ¹
Russell Clark	-	950,000	-
Alex Passmore	144,694	3,320,000	144,694
Jonathan Fisher	-	3,320,000	-
Catherine Moises	625,000	470,000	625,000

¹Directors shareholding and options were issued on the IPO.

Directors' Meetings

The number of meetings of Directors (including meetings of committees of Directors) held during the financial period and the numbers of meetings attended by each Director were as follows:

Name	Directors' Meetings	
	No. of Eligible	Number Attended
Russell Clark	-	-
Alex Passmore	4	4
Jonathan Fisher	4	4
Catherine Moises	4	4
Ian Macliver	4	3
Aaron Constantine	-	-

Committee Membership

As at the date of this report, the Company does not have separately constituted Audit & Risk, Nomination or Remuneration Committees. The full Board acts as those committees under specific charters.

Indemnification and Insurance of Directors and Officers

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

During the financial period, the Company has not paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnification Auditors

The Company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. During the financial period, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

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

DIRECTORS' REPORT

Audit and Non-Audit Services

Details of the amounts paid or payable to the auditor (KPMG) for audit and non-audit services during the period are disclosed in note 19.

Rounding

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191 and in accordance with that instrument, amounts in the Financial Statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Auditor's independence declaration

The auditor's independence declaration received by the directors of the Company is included on page 21 of the financial report and forms part of the Directors' Report for the year ended 30 June 2021.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

This Remuneration Report outlines the Director and executive remuneration arrangements of the Company in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purposes of this report, Key Management Personnel (KMP) are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including all Directors of the Company.

Details of Key Management Personnel (KMP)

Name	Position	Appointment/Resignation Date
Russell Clark	Non-Executive Chairman	Appointed 1 July 2021
Alex Passmore	Director	Appointed 15 August 2017
Jonathan Fisher	Director	Appointed 1 February 2021
Catherine Moises	Non-Executive Director	Appointed 1 February 2021
Ian Macliver	Non-Executive Director	Appointed 15 August 2017 and resigned 29 March 2021
Aaron Constantine	Non-Executive Director	Appointed 15 August 2017, resigned 7 December 2020

Mr Clark joined the Board as Independent Non-Executive Chairman on 1 July 2021. There were no other changes of KMP after 30 June 2021 and before the date the financial report was authorised for issue.

Remuneration and Nomination Committee

Given the size and nature of the Company, the Remuneration and Nomination Committee currently comprises the full Board. The remuneration of any executive Director will be decided by the Board who performs the function of the Remuneration and Nomination Committee, without the affected executive Director participating in that decision-making process.

The Constitution provides that the non-executive Directors will be paid by way of remuneration for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Directors prior to the first annual general meeting of the Company or pursuant to a resolution passed at a general meeting of the Company (subject to complying with the Listing Rules).

In addition, subject to any necessary Shareholder approval, a Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director (e.g. non-cash performance incentives such as options).

Directors are also entitled to be paid reasonable travel and other expenses incurred by them in the course of the performance of their duties as Directors.

The Board, in performing its function as the Remuneration and Nomination Committee, reviews and approves the Company's remuneration policy in order to ensure that the Company is able to attract and retain executives and Directors who will create value for Shareholders, having regard to the amount considered to be commensurate for an entity of the Company's size and level of activity as well as the relevant Directors' time, commitment and responsibility.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

Remuneration Structure

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive Director Remuneration is separate and distinct.

Non-Executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst keeping costs acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules provides that the non-executive Directors will be paid by way of remuneration for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Directors prior to the first annual general meeting of the Company or pursuant to a resolution passed at a general meeting of the Company (subject to complying with the Listing Rules). The Company will seek approval of non-executive fees at its first annual general meeting.

Each Non-Executive Director receives a fee for being a Director of the Company. The remuneration of Non-Executive Directors for the period ended 30 June 2021 is detailed later in this report.

Executive Remuneration

Objective

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- reward executives for company and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link reward with the strategic goals; and
- ensure total remuneration is competitive by market standards.

Structure

In determining the level and make-up of executive remuneration the Board considered market conditions and remuneration paid to senior executives of companies similar in nature to Pearl Gull Iron Limited.

Remuneration consists of the following key elements:

- Fixed Remuneration
- Variable Remuneration – short term incentive (“STI”); and
 - long term incentive (“LTI”)

Fixed Remuneration

Objective

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually by the Board and the process consists of a review of individual performance, relevant comparative remuneration in the market and, where appropriate, external advice on policies and practices. The fixed remuneration component of all of the Directors is detailed later in this report.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

Variable Remuneration – Short Term Incentive (“STI”)

Objective

The objective of the STI program is to link the achievement of the Company's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level so as to provide sufficient incentive to the executive to achieve those operational targets and such that the cost to the Company is reasonable in the circumstances.

Structure

Actual STI payments granted to executives depend on the extent to which specific targets, set at the beginning of the review period, being a calendar year, are met. The targets generally consist of a number of Key Performance Indicators (KPI's) covering both financial and non-financial, corporate and individual measures of performance. Typically included are measures such as contribution to exploration success, share price appreciation, risk management and cash flow sustainability. These measures were chosen as they represent the key drivers for the short-term success of the business and provide a framework for delivering long term value.

The Board has predetermined benchmarks that must be met in order to trigger payments under the STI scheme. On an annual basis, after consideration of performance against KPI's, the Board, acting as a Remuneration Committee, determines the amount, if any, of the STI to be paid to each executive. This process usually occurs in the first quarter of the following calendar year. No STI plan has been defined or approved during the year.

STI bonus for 2021

During the financial period ended 30 June 2021, no STI bonus was paid to the Directors or employees.

Variable Remuneration – Long Term Incentive (“LTI”)

Objective

The objective of the LTI plan is to reward executives in a manner which aligns this element of remuneration with the creation of shareholder wealth. As such LTI grants are only made to executives who are able to influence the generation of shareholder wealth. The Company considers that shareholder wealth is measured by changes to the Company's share price.

Structure

LTI grants to executives are delivered in the form of options. The grant of LTI's is reviewed annually, though LTI's may not be granted each year. Exercise price and performance hurdles, if any, are determined at the time of grant of the LTI.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

Acting Executive Appointment Letters

The Company has entered into appointment letters with both Mr Alex Passmore and Mr Jonathan Fisher confirming their appointment as acting executive directors of the Company (Executive Appointment Letters) until such time as the Company recruits permanent executive management. The Executive Appointment Letters for both Mr Passmore and Mr Fisher are on the same terms and the key terms are set out below.

Item	Description
Remuneration	<p>Mr Passmore and Mr Fisher will each receive base salary and fees of \$45,000 per annum (exclusive of superannuation contributions), and will be entitled to a further fee of \$51,000 per annum (exclusive of superannuation) for undertaking additional executive duties of the Company until an operational and management team has been established. These fees are subject to annual review by the Company and may be adjusted having regard to the level of time commitment that has been expended or that may be required in the future.</p>
Term	<p>The appointment of each of Mr Fisher and Mr Passmore shall (in each case) cease if he:</p> <ul style="list-style-type: none">• resigns;• at the close of any general meeting of Shareholders at which a resolution for re-election is not approved; and• otherwise ceases to be a director in accordance with the Corporations Act, Constitution or other applicable law. <p>There is no notice period. The Directors appointment is subject to provision of the Constitution relating to retirement by rotation and re-election of directors and will cease at the end of any meeting at which the Directors are not re-elected as Director by the shareholders of the Company, at any time when the Director resign by written notice, or otherwise in accordance with the Constitution.</p>

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

Services Agreement – Non-Executive Directors

On appointment to the Board, all non-executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board's policies and terms, including compensation, relevant to the director, and among other things:

- the terms of the Directors appointment, including governance, compliance with the Company's Constitution, committee appointments, and re-election;
- the Directors' duties, including disclosure obligations, exercising powers, use of office, attendance at meetings and commitment levels;
- the fees payable, in line with shareholder approval, any other terms, timing of payments and entitlements to reimbursements;
- insurance and indemnity;
- disclosure obligations; and confidentiality.

The Company has entered into appointment letters with Mr Russell Clark (Non-Executive Chairman), Ms Catherine Moises (Non-Executive Director), and Mr Ian Macliver (Non-Executive Director) confirming their appointment as non-executive directors of the Company (NED Appointment Letters).

Name	Base Salary (Inc-superannuation)
Non-Executive:	
Russell Clark (Non-Executive Chairman)	\$70,000
Catherine Moises (Non-Executive Director)	\$50,000
Ian Macliver (Non-Executive Director)¹	\$50,000
Aaron Constantine (Non-Executive Director)²	Nil

¹ Mr Macliver resigned on 29 March 2021.

² Mr Constantine resigned on 7 December 2020.

Mr Clark, Ms Moises, and Mr Macliver are entitled to receive additional fees or other amounts as the Board determines where they perform services outside the scope of the ordinary duties of a non-executive director.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

Remuneration of Key Management Personnel

2021	Salary & Fees	Short Term STI – Options	Other	Long Term	Post-Employment Superannuation	SBP LTI	TOTAL	% Performance Related
Directors:								
Russell Clark¹	-	-	-	-	-	-	-	-
Alex Passmore²	40,000	-	-	-	3,800	-	43,800	-
Jonathan Fisher²	40,000	-	-	-	3,800	-	43,800	-
Catherine Moises³	19,026	-	-	-	1,807	-	20,833	-
Ian Macliver⁴	7,365	-	-	-	700	-	8,065	-
Aaron Constantine⁵	-	-	-	-	-	-	-	-
TOTAL	106,391	-	-	-	10,107	-	116,498	-

¹ Mr Clark was appointed on 1 July 2021, and therefore no remuneration was paid to him during the year ended 30 June 2021.

² Mr Passmore and Mr Fisher fees were paid from 1 February 2021.

³ Ms Moises was appointed on 1 February 2021.

⁴ Mr Macliver resigned on 29 March 2021

⁵ Mr Constantine resigned on 7 December 2020 and he received no remuneration during the year.

No remuneration was paid to directors in the prior financial year.

Other transactions with Key Management Personnel

As at 30 June 2021, the Directors have the following interests (directly or indirectly) in Securities of the Company:

Shareholdings and Option Holdings of Key Management Personnel

The directors do not hold any shares and options in the Company as at 30 June 2021.

Convertible Notes holdings of Key Management Personnel

2021	Balance at 1 July 2020	Granted as Remuneration	Purchased	Net change/Other	Shares issued on exercise of options	Balance at 30 June 2021
Directors:						
Russell Clark	-	-	-	-	-	-
Alex Passmore	-	-	-	23,151 ¹	-	23,151 ¹
Jonathan Fisher	-	-	-	-	-	-
Catherine Moises	-	-	-	100,000 ²	-	100,000 ²
Ian Macliver	-	-	-	-	-	-
Aaron Constantine	-	-	-	-	-	-
TOTAL	-	-	-	123,151	-	123,151

¹ Mr Passmore holds 23,151, January 2021 Notes, which were converted into ordinary shares and options upon ASX listing.

² Ms Moises holds 100,000 January 2021 Notes, which were converted into ordinary shares and options upon ASX listing

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

Grange Consulting Group Pty Ltd is an entity associated with Mr Ian Macliver, a previous director of the Company. During the year, During the year Grange Consulting Group Pty Ltd received \$86,332 (ex-GST) (2020: Nil) for financial services, company secretarial work and corporate advisory services. These services are provided on normal commercial terms and at arm's length. \$15,719 (ex-GST) (2020: Nil) of the balance remained outstanding as at 30 June 2021.

END OF REMUNERATION REPORT

Signed in accordance with a resolution of the Directors.



Jonathan Fisher
Director
Perth, 30 September 2021



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Pearl Gull Iron Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Pearl Gull Iron Limited for the financial year ended 30 June 2021 there have been:

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

KPMG.

KPMG

A handwritten signature in blue ink, appearing to read 'R Gambitta'.

R Gambitta

Partner

Perth

30 September 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$	2020 \$
Other Income			
Interest income		46	-
Expenses			
Professional fees	3	(329,859)	(152,263)
Compliance costs		(6,537)	-
Employee benefits expense		(116,769)	-
Administrative costs	3	(54,844)	(12,146)
Exploration expenditure		(1,215,293)	(160,039)
Depreciation		(2,002)	-
Finance Costs	11 & 12	(1,325,517)	(93,318)
Pelican settlement expense		-	(225,000)
Total expenses		(3,050,821)	(642,766)
Loss before income tax		(3,050,775)	(642,766)
Income tax benefit	4	624,750	151,098
Loss for the year		(2,426,025)	(491,668)
Other comprehensive loss		-	-
Total comprehensive loss for the year		(2,426,025)	(491,668)
Loss per share for the year attributable to ordinary equity holders:			
Basic and diluted loss per share	6	(0.07)	(491,668)

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	7	2,158,998	-
Other receivables		242,983	-
TOTAL CURRENT ASSETS		2,401,981	-
NON-CURRENT ASSETS			
Exploration & evaluation asset	8	10,544,209	10,659,774
Property, plant, and equipment		64,278	-
TOTAL NON-CURRENT ASSETS		10,608,487	10,659,774
TOTAL ASSETS		13,010,468	10,659,774
CURRENT LIABILITIES			
Trade and other payables	9	698,809	-
Provisions	12	698,280	698,280
Borrowings	10	-	4,227,616
Convertible notes payable	11	6,976,344	-
TOTAL CURRENT LIABILITIES		8,373,433	4,925,896
NON-CURRENT LIABILITIES			
Deferred tax liabilities	4	348,856	673,750
Provisions	12	7,528,393	7,578,030
TOTAL NON-CURRENT LIABILITIES		7,877,249	8,251,780
TOTAL LIABILITIES		16,250,682	13,177,676
NET LIABILITIES		(3,240,214)	(2,517,902)
EQUITY			
Issued Capital	15	2,057,859	-
Other contributed equity	16	(1,462,807)	(1,108,661)
Accumulated losses	17	(3,835,266)	(1,409,241)
TOTAL EQUITY		(3,240,214)	(2,517,902)

Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(420,917)	(164,409)
Payments for exploration & evaluation		(821,562)	(160,039)
Interest received		46	-
Net Cash used in Operating Activities	13	<u>(1,242,433)</u>	<u>(324,448)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant, and equipment		(66,280)	-
Net Cash used in Investing Activities		<u>(66,280)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of share issue costs		(94,782)	-
Proceeds from issue of convertible notes (net transaction costs)		4,212,505	-
Repayment of borrowings		(835,000)	-
Proceeds from borrowings		184,988	324,448
Net Cash from Financing Activities		<u>3,467,711</u>	<u>324,448</u>
Net increase in cash and cash equivalents		2,158,998	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u>2,158,998</u>	<u>-</u>

The Statement of Cashflows should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	<i>Issued Capital</i> \$	<i>Other Contributed Equity</i> \$	<i>Accumulated Losses</i> \$	<i>Total Equity</i> \$
Balance at 1 July 2019	-	(957,562)	(917,573)	(1,875,135)
Loss for the year	-	-	(491,668)	(491,668)
Total comprehensive loss for the year	-	-	(491,668)	(491,668)
Transactions with owners in their capacity as owners:				
Derecognition of current tax asset as assumed by parent entity	-	(151,099)	-	(151,099)
Balance at 30 June 2020	-	(1,108,661)	(1,409,241)	(2,517,902)
	<i>Issued Capital</i> \$	<i>Other Contributed Equity</i> \$	<i>Accumulated Losses</i> \$	<i>Total Equity</i> \$
Balance at 1 July 2020	-	(1,108,661)	(1,409,241)	(2,517,902)
Loss for the year	-	-	(2,426,025)	(2,426,025)
Total comprehensive loss for the year	-	-	(2,426,025)	(2,426,025)
Transactions with owners in their capacity as owners:				
Issue of share capital, net of transaction costs	2,057,859	-	-	2,057,859
Derecognition of current tax asset as assumed by parent entity	-	(354,146)	-	(354,146)
Balance at 30 June 2021	2,057,859	(1,462,807)	(3,835,266)	(3,240,214)

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

1. GENERAL INFORMATION

The financial statements incorporate Pearl Gull Iron Limited (formerly Pearl Gull Pty Ltd) (the “Company”). The financial statements are presented in Australian dollars, which is Pearl Gull Iron Limited’s functional and presentation currency.

Registered Office & Principal Place of Business:

945 Wellington Street, West Perth, WA 6005

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (“AASB”) and the *Corporation Act 2001*.

The financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standard Board (IASB). Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Going Concern

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

The Company has incurred a net loss after tax for the period ended 30 June 2021 of \$2,426,025 and had a net cash outflow from operating activities of \$1,242,433. At 30 June 2021, the Company had net current liabilities of \$5,971,452 and net liabilities of \$3,240,214.

As described above, the Company successfully listed on the ASX on 20 September 2021 and raised \$4,000,000 before costs. The convertible notes liabilities were converted into equity (refer to Note 21) on listing, and as a result the Company is no longer in a net liability position. The Directors believe there are sufficient funds to meet the Company’s working capital requirements as at the end of the financial period. Accordingly, the financial statements have been prepared on the basis that the Company is a going concern, which contemplates the continuity of normal course of business activity, realisation of assets and settlement of liabilities in the normal course of business

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Company not continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. New accounting standards and interpretations

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following relevant standards and interpretations have been issued by the Australian Accounting Standards Board (AASB) but are not yet effective for the year ending 30 June 2021:

AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018 – 2020 and Other Amendments

AASB 2020-3 amends AASB 1 First-time Adoption of Australian Accounting Standards, AASB 3 Business Combinations, AASB 9 Financial Instruments, AASB 116 Property, Plant and Equipment, AASB 137 Provisions, Contingent Liabilities and Contingent Assets and AASB 141 Agriculture. The main amendments relate to:

- (a) AASB 1 – simplifies the application by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences;
- (b) AASB 3 – updates references to the Conceptual Framework for Financial Reporting;
- (c) AASB 9 – clarifies the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability;
- (d) AASB 116 – requires an entity to recognise the sales proceeds from selling items produced while preparing PP&E for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset;
- (e) AASB 137 – specifies the costs that an entity includes when assessing whether a contract will be loss making; and
- (f) AASB 141 – removes the requirement to exclude cash flows from taxation when measuring fair value, thereby aligning the fair value measurement requirements in AASB 141 with those in other Australian Accounting Standards.

AASB 2020-3 mandatorily applies to annual reporting periods commencing on or after 1 January 2022 and will be first applied by the Company in the financial year commencing 1 July 2022.

The likely impact of this accounting standard on the financial statements of the Company has not been determined.

AASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, AASB 2015-10: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and AASB 2017-5: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

AASB 2014-10 amends AASB 10: Consolidated Financial Statements and AASB 128: Investments in Associates and Joint Ventures to clarify the accounting for the sale or contribution of assets between an investor and its associate or joint venture by requiring:

- (a) a full gain or loss to be recognised when a transaction involves a business, whether it is housed in a subsidiary or not; and
- (b) a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

These amending standards mandatorily apply to annual reporting periods commencing on or after 1 January 2022 and will be first applied by the Company in the financial year commencing 1 July 2022. This accounting standard is not expected to have a material impact on the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current, AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date

AASB 2020-1 amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It requires a liability to be classified as current when entities do not have a substantive right to defer settlement at the end of the reporting period.

AASB 2020-6 defers the mandatory effective date of amendments that were originally made in AASB 2020-1 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022. They will first be applied by the Company in the financial year commencing 1 July 2023. The likely impact of this accounting standard on the financial statements of the Company has not been determined.

AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

AASB 2020-1 amends AASB 7 Financial Instruments: Disclosures, AASB 101 Presentation of Financial Statements, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, AASB 134 Interim Financial Reporting and AASB Practice Statement 2 Making Materiality Judgements. The main amendments relate to:

- (a) AASB 7 – clarifies that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;
- (b) AASB 101 – requires entities to disclose their material accounting policy information rather than their significant accounting policies;
- (c) AASB 108 – clarifies how entities should distinguish changes in accounting policies and changes in accounting estimates;
- (d) AASB 134 – to identify material accounting policy information as a component of a complete set of financial statements; and
- (e) AASB Practice Statement 2 – to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

C. Accounting Standards and Interpretations issued but not yet effective

Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. AASB 2021-2 mandatorily applies to annual reporting periods commencing on or after 1 January 2023 and will be first applied by the Company in the financial year commencing 1 July 2023.

The likely impact of this accounting standard on the financial statements of the Company has not been determined.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Summary of significant accounting policies

a. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

b. Income Tax

The income tax expense (benefit) for the period comprises current income tax expense (benefit) and deferred tax expense (benefit).

Current income tax expense charged to the Statement of Profit or Loss and Other Comprehensive Income is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expenses reflect movements in deferred tax assets and deferred tax liability balances during the period as well as unused tax losses.

Current and deferred income tax expense (benefit) charged is credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Pearl Gull Iron Limited is 100% owned subsidiary of Cockatoo Iron NL, and part of Cockatoo Iron NL consolidated tax group. It is expected that Pearl Gull will separate from this tax group upon the ASX listing. Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

When temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Exploration and evaluation expenditure

Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource.

Accordingly, exploration and evaluation expenditures are those expenditures incurred in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

Accounting for exploration and evaluation expenditures is assessed separately for each "area of interest". Each "area of interest" is an individual geological area which is considered to constitute a favourable environment for the presence of a mineral deposit or has been proved to contain such a deposit.

Exploration and evaluation expenditure is expensed to the profit and loss as incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current, and when existence of a commercially viable mineral reserve has been established and it is anticipated that future economic benefits are more likely than not to be generated as a result of the expenditure.

d. Property, plant, and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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:

	3 – 10 years
Plant and equipment	3 – 10 years

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. 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.

e. Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST. Cash flows are presented in the Statement of Cashflows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

g. Trade and other payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Company prior to the end of the financial period that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of those goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

h. Borrowings

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

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

i. Rehabilitation provision

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The consolidated entity's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The consolidated entity recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

j. Finance Costs

Finance costs attributable to qualifying assets are capitalized as part of the asset. All other finance costs are expensed in the period in which they are incurred, including:

- Interest on short-term and long-term borrowings
- interest on finance leases
- unwinding of the discount on provisions

k. Revenue recognition

Revenue is measured as the fair value of the consideration received or receivable. The Company recognises revenue when the amount of revenue can be reliably measured and it is probably that future economic benefits will flow to the entity.

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

l. Issued Capital

Issued and paid-up capital is recognised at fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Critical Accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates & judgments will, by definition, seldom equal the related actual results.

i) Valuation and Impairment of Exploration and Evaluation Assets

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current. The future recoverability of exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation assets through sale. Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

ii) Rehabilitation Provision

Significant judgement is required in determining the provision for mine rehabilitation and site restorations as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate and restore the mine sites and related assets. Factors that will affect this liability include future development, changes in technology, price increases and changes in interest rates. When these factors change or become known in the future, such differences will impact the site restoration provision and asset in the period in which they change or become known.

iii) Convertible Notes

In classifying the components of the converting notes issued during the year as debt and/or equity, the Company has considered the terms and substance of the note agreements and has determined that, the convertible notes issued by the Company are compound instruments containing characteristics of both a financial liability, being the obligation to deliver a variable number of shares on maturity and to pay interest in cash, and equity, being the conversion into a fixed number of shares in the event of an IPO.

On initial recognition, the financial liability component of the convertible notes is measured at fair value and subsequently measured at amortised cost. Interest is accrued for using the determined effective interest rate on each convertible note and is capitalised into the liability.

The equity component is accounted for as the residual after recognising the financial liability. The equity component was determined to be nil in relation to these convertible notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

3. EXPENSES

	2021	2020
Professional fees:	\$	\$
Accounting & audit fees	101,962	1,000
Legal fees	173,897	151,263
Corporate advisory fee	54,000	-
Total professional fees	329,859	152,263
Administration costs:	\$	\$
Insurance	43,829	11,879
Other general expenses	11,015	267
Total administrative costs	54,844	12,146

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

4. INCOME TAX EXPENSES

	2021	2020
	\$	\$
(a) Income tax expense/(benefit)		
<i>Current tax</i>		
Current tax on profit/(loss) for the year	(455,204)	(151,068)
Total current tax expense/(benefit)	(455,204)	(151,068)
<i>Deferred income tax</i>		
Change in tax rate	(27,434)	-
Movement in temporary differences	(10,504)	-
Adjustment for temporary differences of prior periods	(131,608)	-
Total deferred tax expense/(benefit)	(169,547)	-
Income tax expense/(benefit)	(624,750)	(151,068)
(b) Numerical reconciliation of income tax expense/(benefit) to prima facie tax payable/(asset)		
Profit/(loss) from continuing operations before income tax expense/(benefit)	(3,050,775)	(642,766)
Tax at the Australian tax rate of 26% (2020: 27.5%)	(793,200)	(176,761)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Finance cost	327,493	25,662
Adjustment for temporary differences of prior periods	(131,608)	-
Change in tax rate	(27,434)	-
Subtotal	(624,750)	25,662
Income tax expense/(benefit)	(624,750)	(151,068)
(c) Deferred Taxes		
<i>Deferred tax assets</i>		
Employee provisions	9,128	-
Rehabilitation provisions – current	181,553	-
Rehabilitation provisions – non-current	1,957,382	2,206,252
Convertible notes – business related costs	73,216	-
Tax only assets – business related costs	122,729	-
<i>Deferred tax liabilities</i>		
Exploration assets	(637,000)	(637,750)
Rehabilitation asset	(2,055,864)	(2,206,252)
Net deferred tax balance	(348,856)	(637,750)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

5. SEGMENT INFORMATION

Operating segments that meet the quantitative criteria of AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to the users of the financial statements.

The Company operates within the mineral exploration industry within Australia.

The Company determines its operating segments by reference to internal reports that are reviewed and used by the Board of Directors (the chief operating decision maker) in assessing performance and in determining the allocation of resources. The Board of Directors currently receive Statement of Financial Position and Statement of Comprehensive Income information that is prepared in accordance with Australian Accounting Standards.

The Statement of Financial Position and Statement of Comprehensive Income information received by the Board of Directors does not include any information by segment. The executive team manages each exploration activity of each exploration concession through review and approval of statutory expenditure requirements and other operational information. Based on this criterion, the Company has only one operating segment, being exploration, and the segment operations and results are the same as the Company results.

6. EARNINGS PER SHARE

	2021 (\$)	2020 (\$)
Basic and diluted profit/(loss) per share		
Basic profit/(loss) per share (per share)	(0.07)	(491,668)
Diluted profit/(loss) per share (per share)	(0.07)	(491,668)

The following reflects the income and share data used in the calculation of basic and diluted earnings per share

Net loss	(2,426,025)	(491,668)
Weighted average number of ordinary shares used in calculating basic earnings per share	34,704,879	1

Conversion, calls, subscriptions or issues after 30 June 2021

Since the reporting date the Company issued 20 million ordinary shares as part of the Initial Public Offering at \$0.20 per shares with 20,000,000 free attaching options exercisable at \$0.30 each and with an expiry date of 13 September 2024. In addition, the Company also issued 36,777,857 ordinary shares on conversion of the Convertible Notes with 36,777,857 Convertible Note Options exercisable at \$0.30 each expiring on 13 September 2024. In addition, the Company issued 9,470,000 Incentive options to Key Personnel with a nil exercise price and expiry date of 1 June 2026.

There have been no other conversions to, calls of, or subscriptions for ordinary shares since the reporting date and before the completion of this financial report.

7. CASH AND CASH EQUIVALENT

	2021 \$	2020 \$
Cash at bank	2,158,998	-
Total cash and cash equivalent	2,158,998	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

8. EXPLORATION AND EVALUATION ASSET

		2021	2020
		\$	\$
Tenement acquisition costs	(a)	2,637,040	2,637,040
Current Rehabilitation		698,280	698,280
Capitalised E&E – Rehabilitation Asset		7,208,889	7,324,454
Total exploration and evaluation asset		10,544,209	10,659,774

		2021	2020
		\$	\$
(a) Tenement acquisition costs			
Opening balance		2,637,040	2,637,040
Additions in the year		-	-
Disposals in the year		-	-
Closing balance 30 June		2,637,040	2,637,040

The value of the Company's interest in exploration expenditure is dependent upon:

- the continuance of the Company's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

Due to the nature of the exploration and evaluation assets being the initial acquisition costs and the capitalised costs arising from provision of rehabilitation, the exploration and evaluation assets are classified as intangible assets.

No amortisation is currently being recognised as the mining operations have not yet commenced, and as such the assets are deemed to not be available for use.

(b) Rehabilitation Costs

Rehabilitation costs that are expected to be incurred are provided for as part of the cost of the exploration and evaluation phase that give rise to the need for restoration. The costs include obligations relating to reclamation, waste site closure, infrastructure dismantling and other costs with the rehabilitation of the site.

These estimates of the rehabilitation obligation are based on anticipated technology and legal requirements and future costs, which have been discounted to their present value. Any changes in the estimates are adjusted on a progressive basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

9. TRADE AND OTHER PAYABLES

	2021	2020
	\$	\$
Trade payables	631,559	-
Accrual	25,000	-
Other payables	42,249	-
Total trade and other payables	698,809	-

a) Terms and Conditions

Creditors are non-interest bearing and generally on 30-day terms.

10. BORROWINGS

	2021	2020
	\$	\$
<i>Current borrowings</i>		
Opening loans – non- interest bearing	4,227,616	3,678,168
Additional loan provided by Cockatoo Iron	184,988	549,448
Loan repayment ¹	(4,412,604)	-
Total current borrowings	-	4,227,616

At 30 June 2020, monies were disbursed from the Company's parent entity, Cockatoo Iron NL ("Cockatoo"), through an unsecured loan arrangement with nil interest payable to the Company.

¹During the year ended 30 June 2021, the loan payable was settled via the following steps:

- Pearl Gull made a cash payment of \$835,000 to Cockatoo on 18 January 2021;
- On 15 January 2021, Pearl Gull entered into agreements with the holders of Cockatoo Iron Convertible Notes, whereby Pearl Gull agreed to acquire a total of 1,334,774 Cockatoo Iron convertible notes having a face value of \$1,334,774, and issued 1,334,774 Convertible Notes to the Cockatoo Iron noteholders (Roll-up convertible notes);
- On 15 January 2021, Pearl Gull entered into deeds of assignment with Cockatoo whereby Pearl Gull assume Cockatoo Iron liabilities for a total of \$144,477, being the amounts owing to the trade creditors of Cockatoo. Pearl Gull then issued 144,477 convertible notes to the trade creditors; and
- On 15 January 2021, Pearl Gull issued 43,250,000 ordinary shares to Cockatoo to settle the remaining loan payable to Cockatoo Iron.

Nil balance remained outstanding as at 30 June 2021.

11. CONVERTIBLE NOTES PAYABLES

	2021	2020
	\$	\$
Convertible Notes Payable	6,976,344	-
Total convertible notes payable	6,976,344	-

The financial liability component of the convertible notes is measured at fair value and subsequently measured at amortised cost. Interest is accrued for using the determined effective interest rate on each convertible note and is capitalised into the liability.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

11. CONVERTIBLE NOTES PAYABLES (continued)

	Number of Notes	2021 \$	Number of Notes	2020 \$
Opening balance	-	-	-	-
Additional convertible notes issued:				
Convertible notes rolled up from Cockatoo Iron (parent entity) – January 2021 ¹	1,479,251	1,479,251	-	-
Convertible notes – January 2021	1,457,000	1,457,000	-	-
Convertible notes – February 2021	2,332,505	2,332,505	-	-
Convertible notes – May 2021	775,000	800,000	-	-
Capitalised interest (at 10% per annum) ²	-	224,103	-	-
Capitalised effective interest ³	-	1,035,485	-	-
Less transaction costs	-	(352,000)	-	-
Closing balance at 30 June	6,043,756	6,976,344	-	-

¹ The Company issued 1,334,774 convertible notes with a face value of \$1.00 each as part of a group restructure via an assumption by the Company of convertible notes in Cockatoo Iron held by certain shareholders of Cockatoo Iron. In addition, the Company also issued 144,477 convertible notes as part of the group restructure via an assumption by the Company of moneys owing by Cockatoo Iron to certain trade creditors in the amount of \$144,477. Refer to Note 10 for further details.

² The capitalised interest represents the interest payable on the convertible notes. It is calculated based on 10% (per annum) of the face value the convertible notes on issue, from the issue date to 30 June 2021. The interest expense of \$224,103 is payable in cash and subsequently settled on IPO.

³ The convertible notes have a clause where the notes will convert at a discount of 70% to fair value of cash received plus interest payable on the notes at maturity. The finance costs of \$1,035,485 is to recognise the discount value up to various maturity dates depending on each class of convertible notes.

Each of the convertible notes have the following terms:

- Face value of \$1.00;
- Interest of 10% per annum, payable in cash;
- Maturity date of 31 December 2021;
- Conversion events:
 - When the Company completes an IPO before the maturity date; or
 - In the event of the Company seek re-admission to quotation of its securities on ASX (“RTO”) before the maturity date; or
 - On maturity date.
- Conversion price - the number of Shares equal to the aggregate value of all Convertible Notes divided by the conversion price, being:
 - On IPO, a conversion price of \$0.16 for the January 2021 Notes, including roll-up notes; and
 - On IPO, a conversion price of \$0.17 for the February 2021 Notes and May 2021 Notes; and
 - On maturity, a conversion price of 70% of the fair market value of the shares on date of maturity; and
 - Free-attaching Options with an exercise price equal to \$0.30 equal to the number of Shares issued on their conversion.

Subsequent to 30 June 2021, the Company successfully listed on the ASX, and these convertible notes were converted into ordinary shares and options. Refer to note 21 for further details.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

12. REHABILITATION PROVISION

	2021	2020
	\$	\$
Current Rehabilitation Provision	698,280	698,280
Non-Current Rehabilitation Provision	(a) 7,528,393	7,578,030
Total Rehabilitation Provisions	8,226,673	8,276,310
(a) Non-Current Rehabilitation Provision		
Opening balance - 1 July	7,578,030	7,075,102
Movement during the period – Discount unwind	65,929	93,318
Changes in rehabilitation estimate	(115,566)	434,610
Closing balance 30 June	7,528,393	7,578,030

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be measured 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.

A provision is made for the estimated cost of rehabilitation relating to areas disturbed during the mine's operation up to reporting date but not yet rehabilitated. Provision has been made in full for all disturbed areas at the reporting date based on current estimates of costs to rehabilitate such areas, discounted to their present value based on expected future cash flows. Changes in estimates are dealt with on a prospective basis as they arise.

Uncertainty exists as to the amount of rehabilitation obligations which will be incurred due to the impact of changes in environmental legislation. The amount of the provision relating to rehabilitation of mine infrastructure and dismantling obligations is recognised at the commencement of the mining project and/or construction of the assets where a legal or constructive obligation exists at that time.

The provision is recognised as a current and non-current liability with a corresponding asset included in exploration and evaluation assets (Note 8).

At each reporting date the rehabilitation liability is re-measured in line with changes in discount rates and timing or amount of costs to be incurred. Changes in the liability relating to rehabilitation of mine infrastructure and dismantling obligations are added to or deducted from the related asset, other than the unwinding of the discount which is recognised as finance costs in profit or loss as it occurs.

If the change in liability results in a decrease in the liability that exceeds the carrying amount of the asset, the asset is written-down to nil and the excess is recognised immediately in the income statement.

If the change in the liability results in an addition to the cost of the asset, the recoverability of the new carrying amount is considered. Where there is an indication that the new carrying amount is not fully recoverable, an impairment test is performed with the write-down recognised in profit or loss in the period in which it occurs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

13. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO OPERATING PROFIT/(LOSS) AFTER TAX

	2021	2020
	\$	\$
Profit/(loss) after income tax for the year	(2,426,025)	(491,668)
<i>Adjustment for non-cash income and expense items</i>		
Depreciation	2,002	-
Finance Cost	1,325,517	93,318
Pelican settlement expense	-	225,000
Income tax expense/(benefit)	(624,750)	(151,098)
	<hr/>	<hr/>
Net changes in working capital:		
(Increase)/decrease in trade and other receivables	(217,986)	-
Increase/(decrease) in trade and other payables	698,809	-
Net cash used in operating activities	(1,242,433)	(324,448)

14. FINANCIAL INSTRUMENTS

Financial risk management objectives

The entity's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk. The entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity.

The entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the entity and appropriate procedures, controls and risk limits. Finance reports to the Board on a monthly basis.

Price risk

The entity is not exposed to any significant price risk.

Interest rate risk

The entity is not exposed to any significant interest rate risk at reporting period.

Liquidity risk

Vigilant liquidity risk management requires the entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Capital Management

When managing capital, the Board's objective is to ensure the Company continues as a going concern as well as to maximise the returns to shareholders and benefits for other stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

The Board is constantly reviewing the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, the Board may issue new shares, return capital to shareholders or sell assets to reduce debt.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

14. FINANCIAL INSTRUMENTS (continued)

The Company was not subject to any externally imposed capital requirements during the year.

Remaining contractual maturities

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

2021	Weighted average interest rate %	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000
<i>Non-interest bearing</i>					
Trade and other payables		698,809	-	-	-
<i>Interest bearing</i>					
Convertible notes	10%	6,976,344	-	-	-
Total		7,675,153	-	-	-

2020	Weighted average interest rate %	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000
<i>Non-interest bearing</i>					
Trade and other payables		-	-	-	-
Borrowings		4,227,616	-	-	-
Total		4,227,616	-	-	-

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

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability

30 June 2021	Level 1	Level 2	Level 3	Total
<i>Liabilities</i>				
Convertible notes	-	-	(6,976,344)	(6,976,344)
Total liabilities	-	-	(6,976,344)	(6,976,344)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

14. FINANCIAL INSTRUMENTS (continued)

There were no transfers between levels during the financial year.

Level 3 Assets and Liabilities

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

	Convertible Notes	Total
Balance at 1 July 2019	-	-
Gains recognised in profit or loss	-	-
Gains recognised in other comprehensive income	-	-
Balance at 30 June 2020	-	-
Losses recognised in profit or loss	-	-
Capitalised interest (at 10% per annum) – refer to note 11	(224,103)	(224,103)
Capitalised effective interest - refer to note 11	(1,035,485)	(1,035,485)
Additions less transaction costs – refer to note 11	(5,716,756)	(5,716,756)
Balance at 30 June 2021	(6,976,344)	(6,976,344)

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

Description	Unobservable inputs
Convertible Notes	Conversion feature at maturity date where the price per Share equal to 70% of the Fair Market Value of 70% discount

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

15. SHARE CAPITAL

i) Contributed Equity

(a) Issued and paid-up capital

	No of shares	2021 (\$)
Ordinary shares fully paid	43,250,001	2,057,859

(b) Movement in shares on issue

	No of shares	2021 (\$)
Ordinary shares at beginning of period	1	-
Issue of 43,250,000 shares at \$0.048 per share ¹	43,250,000	2,098,353
Share issue costs	-	(40,494)
Closing balance	43,250,001	2,057,859

¹ Shares were issued as part of the loan settlement to Cockatoo. Refer to Note 10 for further details.

(c) Terms and conditions of Contributed Equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting on the Company.

(d) Share based payment reserve

No share-based payment made during the year ended 30 June 2021.

16. OTHER CONTRIBUTED EQUITY

	2021	2020
	\$	\$
Balance at beginning of year	(1,108,661)	(957,563)
Current tax losses derecognised	(354,146)	(151,098)
Balance at end of year	(1,462,807)	(1,108,661)

The Company does not have a tax funding arrangement in place with Cockatoo Iron during the year ended 30 June 2021. The Company transferred tax losses of \$354,146 (2020: \$151,098) into Cockatoo Iron NL, its parent entity, under the tax consolidation. This is recorded in equity because there is no compensation from Cockatoo Iron NL for these tax losses.

17. ACCUMULATED LOSSES

	2021	2020
	\$	\$
Balance at the beginning of the year	(1,409,241)	(917,573)
Net loss attributable to members of Pearl Gull Iron Limited	(2,426,025)	(491,668)
Balance at end of year	(3,835,266)	(1,409,241)

No dividends were paid during or since the financial year. There are no franking credits available (2020: nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

18. RELATED PARTY TRANSACTIONS

Key management personnel ('KMP'):

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

Compensation of Key Management Personnel by Category

	2021 (\$)	2020 (\$)
Short Term	106,391	-
Other Long Term	-	-
Post-Employment	10,107	-
Share-Based Payments	-	-
	116,498	-

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

Other Transactions with Related Parties:

Grange Consulting Group Pty Ltd is an entity associated with Mr Ian MacIver, a previous director of the Company. During the year, Grange Consulting Group Pty Ltd received \$86,332 (ex- GST) (2020: Nil) for financial services, company secretarial work and corporate advisory services. These services are provided on normal commercial terms and at arm's length. \$15,719 (ex-GST) (2020: Nil) of the balance remained outstanding as at 30 June 2021.

Pearl Gull had a loan payable of \$4,227,616 to Cockatoo Iron as at 30 June 2020. The loan payable was related to all costs and expenses associated with the exploration and operating costs of Pearl Gull up to 30 June 2020. Subsequently, the loan payable was settled via the following steps:

- Pearl Gull made a cash payment of \$835,000 to Cockatoo on 18 January 2021;
- On 15 January 2021, Pearl Gull entered into sale agreements with the holder of Cockatoo Iron Convertible Notes, whereby Pearl Gull agreed to acquire a total of 1,334,774 Cockatoo convertible notes having a face value of \$1,334,774, and issued 1,334,774 Convertible Notes to the Cockatoo Iron noteholders (Roll-up convertible notes);
- On 15 January 2021, Pearl Gull entered into deeds of assignment with Cockatoo whereby Pearl Gull to assume Cockatoo Iron liabilities with a total of \$144,477, being the amounts owing to the trade creditors of Cockatoo. Pearl Gull then issued 144,477 convertible notes to the trade creditors; and
- On 15 January 2021, Pearl Gull issued 43,250,000 ordinary shares to Cockatoo Iron at a deemed issue price of \$0.04851683 per share to settle the remaining loan payable to Cockatoo Iron.

Nil balance remained outstanding as at 30 June 2021.

19. AUDITOR REMUNERATION

	2021 \$	2020 \$
Remuneration of the auditor of the Company, KPMG for:		
Amounts received or due and receivable by KPMG for the audit of financial reports	46,575	-
	46,575	-

KPMG was appointed as Investigated Accountant for the Company's Initial Public Offering. Fees associated with its services was charged subsequent to 30 June 2021.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

20. COMMITMENTS AND CONTINGENT LIABILITIES

- a) On Completion of the acquisition of Sunshine Gold's interest in the Mining Tenements, the parties executed a Revenue Sharing Agreement ("RSA"), whereby the Company was required to pay up to a maximum of \$500,000 per annum of gross revenue received, to Sunshine Gold from certain non-mining activities that may be conducted by third parties within the area of the Mining Tenements. The Company held the right of pre-emption in respect of a sale by Sunshine Gold of its rights under the RSA.

During the prior year, Pearl Gull and its parent entity, Cockatoo Iron NL ("Cockatoo") executed a Deed of Termination and Release where it has been agreed that Sunshine Gold:

- settles any and all claims against the Company, Pearl Gull and their respective directors;
- terminates the RSA as detailed above; and
- accepts the offer, made by Carbine, to acquire Sunshine Gold's shareholding in Cockatoo where the offer is on the terms announced by Carbine on 22 January 2020,

and in consideration, the Company agreed to pay to Sunshine Gold the sum of \$225,000 on the earlier of:

- the date Carbine issues its shares to Sunshine Gold in consideration for Sunshine Gold's agreement to sell its shares in the Cockatoo to Carbine; or
- if Carbine's agreement to purchase the shares and converting notes in the Cockatoo is terminated, then 5 business days after the date of termination; or 31 December 2020.

The sum has now been paid.

- b) In order to maintain Mining Tenements, the economic entity is committed to meet the prescribed conditions under which tenements were granted. These commitments may be met in the normal course of operations by future capital raisings and/or farm-out and under certain circumstances are subject to the possibility of adjustment to the amount and timing of such obligations or by tenement relinquishment.

Exploration Expenditure Commitments	\$
Not later than 12 months	23,128
Between 12 months and 5 years	261,412
Greater than 5 years	168,901
Total	453,441

The Company has no other contingent liabilities at reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

21. EVENTS AFTER THE REPORTING DATE

On 22 July 2021 the Company lodged a Prospectus to ASIC for an offer of 17,500,000 to 20,000,000 ordinary shares in the capital of Pearl Gull Iron at a price of \$0.20 per share, together with one free attaching option for every share issue to raise between \$3.5 million to \$4 million (before costs). Subsequently, a replacement Prospectus was lodged to ASIC on 5 August 2021, to rectify rounding errors relating to the number of Convertible Notes on issue.

The Company satisfied the listing conditions, and subsequently listed on the ASX on 20 September 2021. On listing, the Company raised \$4 million before costs via issue of 20,000,000 ordinary shares at \$0.20 per share and 20,000,000 free-attaching options with an exercise price of \$0.30 each and expiring on 13 September 2024. In addition, upon listing the Convertible Notes on issue were converted into 36,777,857 ordinary shares together with 36,777,857 Convertible Note Options with an exercise price of \$0.30 each and expiring 13 September 2024.

On completion of the Offer, the Company also confirmed that:

- (e) the conversion of the January 2021 Notes to 18,351,305 Shares in Pearl Gull Iron Limited at a conversion price of \$0.16 and the issue of 18,351,305 Convertible Note Options;
- (f) the conversion of the February 2021 Notes to 13,720,651 Shares at conversion price of \$0.17 and the issue of 13,720,651 Convertible Note Options;
- (g) the conversion of the May 2021 Notes to 4,705,901 Shares in Pearl Gull Iron Limited at conversion price of \$0.17 and the issue of 4,705,901 Convertible Note Options; and
- (h) settlement in cash of the interest on the convertible notes accrued at 10% per annum.

Capital Structure post-IPO:

Security	Number
Ordinary Shares	100,027,860
Options exercisable at \$0.30 each, expiring 13 September 2024	56,777,857
Incentive Options issued to Key Personnel with a nil exercise price, expiring 1 June 2026	9,470,000

Other than the points noted above, there has not been any matter or circumstance that has arisen since the end of the financial period that has significantly affected, or may significantly affect the operations of the Company, and the results of those operations, or the state of affairs of the Company in future financial years.

DIRECTORS' DECLARATION FOR THE YEAR ENDED 30 JUNE 2021

In accordance with a resolution of the Directors of Pearl Gull Iron Limited, I state that:

1. In the opinion of the Directors':

- (a) The financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2021 and its performance for the period ended on that date; and
 - (ii) complying with Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2(A); and
- (c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (d) This declaration is made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2021.

On behalf of the Board



Jonathan Fisher
Director

Perth, 30 September 2021.



Independent Auditor's Report

To the shareholders of Pearl Gull Iron Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Pearl Gull Iron Limited (the Company).

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

- giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2021;
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Rehabilitation Provision (\$8.2 million)

Refer Note 12, Note 2(i) and 2(m)(ii) to the Financial Report

The key audit matter	How the matter was addressed in our audit
<p>The rehabilitation provision is considered to be a key audit matter. This is due to the additional audit effort from the:</p> <ul style="list-style-type: none"> • inherent complexity in estimating future environmental restoration and rehabilitation costs, and • significant judgement applied by the Company, particularly for those costs to be incurred several years in the future. <p>The estimate of the rehabilitation provision is influenced by:</p> <ul style="list-style-type: none"> • The complexity in current environmental and regulatory requirements, and the impact to completeness of the rehabilitation provision; • The expected environmental management strategy of the Company and the nature of the costs incorporated into the rehabilitation provision; and • The expected timing of expenditure which is planned to occur several years into the future, and the associated inflation and discounting of costs in the present value calculation of the rehabilitation provision. <p>The Company uses third party and internal experts when assessing their obligations for restoration and rehabilitation activities and associated estimates of future costs.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Comparing the basis for recognition and measurement of the rehabilitation provision for consistency with environmental and regulatory requirements and criteria in the accounting standards; • Obtaining the Company’s rehabilitation provision estimation, and critically evaluated by: <ul style="list-style-type: none"> – Comparing the nature and quantum of costs contained in the Company’s rehabilitation provision to the Company’s third party expert report and internal and external underlying documentation. We checked the inputs of the Company’s rehabilitation provision estimation to the Company’s third party expert report; – Assessing the planned timing of restoration and rehabilitation activities through comparison to the Company’s strategy and plans for commencement and completion of restoration and rehabilitation activities; – Assessing the competence, scope and objectivity of the Company’s internal and third party experts used in the determination of the rehabilitation provision estimate; and – Comparing inflation rate and discount rate assumptions in the Company’s rehabilitation provision determination to external market data for Australian bond rates and Australian inflation targets. • Evaluating the completeness of the rehabilitation provision against the Company’s analysis of where disturbance requires rehabilitation or restoration, and comparing to our understanding of the Company’s operations. We did this by each operating location. • Assessing the disclosures in the financial report using our understanding obtained from our testing against the requirements of the accounting standard. This included evaluating the current and non-current rehabilitation provision disclosure for consistency to the planned timing of the rehabilitation expenditure.



Other Information

Other Information is financial and non-financial information in Pearl Gull Iron Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*.
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our Auditor's Report.



Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Pearl Gull Iron Limited for the year ended 30 June 2021, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report in pages 14 to 20 of the Directors' report for the year ended 30 June 2021.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

R Gambitta
Partner

Perth

30 September 2021

MINING TENEMENT

Name	Type	Status	Pearl Gull Interest (%)
M04/235	Mining Lease	Granted	100
L04/102	Miscellaneous Licence	Granted	100
L04/103	Miscellaneous Licence	Granted	100
P04/299	Prospecting Licence	Application	100
L04/120	Miscellaneous Licence	Application	100
L04/121	Miscellaneous Licence	Application	100
L04/122	Miscellaneous Licence	Application	100
L04/123	Miscellaneous Licence	Application	100

CORPORATE GOVERNANCE STATEMENT

Corporate Governance Statement

In fulfilling its obligations and responsibilities to its various stakeholders, the Board is a strong advocate of corporate governance. This statement outlines the principal corporate governance procedures of Pearl Gull Iron Limited (“**Company**”). The Board of Directors (“**Board**”) supports a system of corporate governance to ensure that the management of Pearl Gull Iron Limited is conducted to maximise shareholder wealth in a proper and ethical manner.

ASX Corporate Governance Council Recommendations

The Board has adopted corporate governance policies and practices consistent with the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations* ("ASX Principles and Recommendations 4th Edition") where considered appropriate for Group of Pearl Gull Iron Limited size and nature. Such policies include, but are not limited to the Board Charter, Board Committee Charters, Code of Conduct, Trading in Securities, Continuous Disclosure, Shareholder Communication and Risk Management Policies.

Further details in respect to the Company's corporate governance practises and copies of Company's corporate governance policies and the 2021 Corporate Governance Statement, approved by the Board are available of the Company's website:

<https://www.pearlgulliron.com.au/corporate-governance/>

ASX OTHER INFORMATION FOR THE YEAR ENDED 30 JUNE 2021

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

SHAREHOLDINGS

The issued capital of the Company at 22 September 2021 is 53,885,929 ordinary fully paid shares, 1,016,379 ordinary shares on escrowed until 15 January 2022, and 45,125,550 ordinary shares on escrowed for 24 months from quotation. All ordinary shares carry one vote per share. The Company has used the cash it had at the time of admission to the Official List of the ASX in accordance with its stated business objectives.

TOP 20 SHAREHOLDERS AS AT 22 SEPTEMBER 2021

Position	Holder Name	No of Shares Held	% Held
1	COCKATOO IRON NL	43,250,001	43.24%
2	JASPER HILL RESOURCES PTY LTD <T A/C>	2,194,082	2.19%
3	TREASURY SERVICES GROUP PTY LTD <NERO RESOURCE FUND A/C>	2,044,118	2.04%
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,036,765	2.04%
5	T T NICHOLLS PTY LTD <SUPERANNUATION A/C>	1,608,725	1.61%
6	MR MICHAEL FRANK MANFORD <NO 2 A/C>	1,250,000	1.25%
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,250,000	1.25%
7	LOKTOR HOLDINGS PTY LTD <TAYBIRD A/C>	1,213,236	1.21%
8	ALDERHAUS PTY LTD	1,129,417	1.13%
9	KAHALA HOLDINGS PTY LTD	1,105,039	1.10%
10	GEORDIE BAY HOLDINGS PTY LTD	970,767	0.97%
11	METAL TIGER PLC	770,167	0.77%
12	METECH SUPER PTY LTD <METECH NO2 SUPER A/C>	702,942	0.70%
13	MR MICHAEL FRANK MANFORD <ATLO SUPER FUND A/C>	686,722	0.69%
14	DARMAL PTY LIMITED	625,736	0.63%
15	TOORADIN PARK SUPERANNUATION PTY LTD <TOORADIN PARK S/FUND A/C>	625,000	0.62%
15	BT PORTFOLIO SERVICES LIMITED <WARRELL HOLDINGS S/F A/C>	625,000	0.62%
16	LOKTOR HOLDINGS PTY LTD <TAYBIRD A/C>	600,000	0.60%
17	JASPER HILL RESOURCES PTY LTD <SUPERANNUATION A/C>	588,383	0.59%
18	MR ANTHONY JAMES ROBINSON	588,236	0.59%
18	SABA NOMINEES PTY LTD <SABA A/C>	588,236	0.59%
18	TITAN PLANT HIRE PTY LTD	588,236	0.59%
19	LIDDLE INVESTMENTS GROUP P/L <LIDDLE SUPER FUND A/C>	562,500	0.56%
20	BNP PARIBAS NOMINEES PTY LTD <LDN UK BCH DRP A/C>	524,357	0.52%
	Total	66,127,665	66.11%
	Balance of register	33,900,193	33.89%
	Grand total	100,027,858	100%

ASX OTHER INFORMATION FOR THE YEAR ENDED 30 JUNE 2021

RANGE & LOCATION OF SHAREHOLDERS

Shares Range	No. of Holders	No. of Shares
100,001 and Over	127	44,430,580
10,001 to 100,000	184	8,591,938
5,001 to 10,000	86	860,000
1,001 to 5,000	1	3,411
1 to 1,000	-	-
Total	398	53,885,929
Holdings less than a marketable parcel	-	-

Shareholders by Location	No. of Holders	No. of Shares
Australian holders	397	53,591,811
Overseas holders	1	294,118
Total	398	53,885,929

VOTING RIGHTS

The holders of ordinary shares are entitled to one vote per share at meetings of the Company.

RESTRICTED SECURITIES

Type of security	No. of Holders	No. of Shares
PLGESC12A Escrowed shares – 15 January 2022	26	1,016,379
PLGESC24A Escrowed shares – 24M from quotation	10	45,125,550

There are no other restricted securities.

SUBSTANTIAL SHAREHOLDER NOTICES AS AT 22 SEPTEMBER 2021

	No. of Shares Held	% Held
1 COCKATOO IRON NL	43,250,001	43.24%

OPTION HOLDINGS

The Company has the following classes of incentive options and unlisted options on issue at 22 September 2021 as detailed below. Options do not carry any rights to vote.

Class	Terms	No. of Options
PLGOPT01	Unlisted Options with exercise price of \$0.30 and expiry date of 13 September 2021	20,000,000
PLGOPT02	Unlisted Options with exercise price of \$0.30 and expiry date of 13 September 2024 – Escrowed until 13 September 2022	32,352,307
PLGOPT04	Incentive Options with exercise price of \$0.00 and expiry date of 1 June 2026 2021 – Escrowed for 24 months from quotation and also subject to a further 12 months of voluntary escrow.	9,470,000
PLGOPT24M	Unlisted Options with exercise price of \$0.30 and expiry date of 13 September 2024 – Escrowed for 24 months from quotation	4,425,550
		66,247,857

ASX OTHER INFORMATION FOR THE YEAR ENDED 30 JUNE 2021

The following Option holders hold more than 20% of a particular class of the Company's Incentive and Unlisted Options.

INCENTIVE AND UNLISTED OPTIONS		
Holder	PLGOPT04	PLGOPT24M
Mr Alex Passmore	3,320,000 35.06%	-
JWEST NOMINEES PTY LTD <JWEST FAMILY A/C>	3,320,000 35.06%	-
JASPER HILL RESOURCES PTY LTD <T A/C>	-	2,194,082 49.58%
Total	6,640,000	2,194,082
Balance of register	9,470,000	4,425,550
Total Number of Holders	7	7