

Rosepoint Holdings Pty Ltd

Annual Report

For the Year Ended 30 June 2023

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Corporate Directory

Director & Company Secretary Shanthar Pathmanathan

Registered Office Level 8, 216 St Georges Terrace
Perth Western Australia 6000

Principal Place of Business 4 Piper Place
Bateman Western Australia 6150

Auditors Moore Australia Audit (WA)
Level 15, Exchange Tower
2 The Esplanade
Perth Western Australia 6000

ACN 648 483 087

Directors' Report

The Directors present their report together with the financial statements of Rosepoint Holdings Pty Ltd ('Rosepoint' or 'the Company') for the year ended 30 June 2023.

Directors

The names of directors in office at any time during or since the end of the period are:

Shanthar Pathmanathan - Director and Company Secretary

Appointed	5 March 2021
Qualification	Bachelor of Laws
Experience	Mr Pathmanathan was most recently the CEO and Managing Director of Lithium Consolidated Ltd, an ASX-listed company, which had one of the largest portfolios of hard rock lithium exploration assets, globally. Mr Pathmanathan also has 14 years of investment banking experience in the metals and mining, oil and gas and chemicals sectors. He was with Deutsche Bank's investment banking division and prior to that he has held investment banking and principal investment roles with the Macquarie Group's investment banking division in Australia and New York.

Principal Activity

The Company's primary purpose is acquiring, exploring and developing lithium deposits.

Operating Results

The operating result of the Company for the financial period was a loss of \$4,111 (2022: loss of \$89,001).

Review of Operations

As at 30 June 2023, Rosepoint held 41% in the common stock of FMS Lithium Corporation ('FMSL'). FMSL owns the Resurgent Lithium Project which comprises 1,412 claims located in the McDermitt Caldera in the states of Oregon and Nevada, USA. The McDermitt Caldera is considered the largest and highest-grade lithium play in North America and hosts the two largest known lithium resources in the USA: the Thacker Pass project owned by Lithium Americas Corporation and the McDermitt Lithium project owned by Jindalee Resources Ltd.

Significant Changes in State of Affairs

Other than those disclosed in this report, no significant changes in the state of affairs of the Company occurred during the financial period.

Events after Reporting Date

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Dividends

No dividends have been paid, and the Directors do not recommend the payment of a dividend for the financial period ended 30 June 2023.

Environmental Regulations

The Directors are mindful of the regulatory regime in relation to the impact of the Company's activities on the environment. There have been no known breaches of any environmental regulation by the Company during the financial period.

Future Developments

Further information, other than as disclosed in this report, about likely developments in the operations of the Company and the expected results of those operations in future periods, has not been included in this report as disclosure of this information would be likely to result in unreasonable prejudice to the Company.

Indemnification and Insurance of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial period, for any person who is or has been an officer or auditor of the Company.

Indemnity and Insurance of Auditor

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 for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company or any part of those proceedings.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, Moore Australia Audit (WA) Pty Ltd to provide the Director of the Company with an Independence Declaration in relation to the audit of this financial report. The Director has received the Independence Declaration which has been included within this financial report.



Shanthar Pathmanathan

Director

Dated this 16th day of October 2023

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ROSEPOINT HOLDINGS PTY LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

- a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



NEIL PACE
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 16th day of October 2023.

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2023

	Notes	1 July 2022 to June 2023 \$	5 March 2021 to 30 June 2022 \$
Revenue		-	-
Expenses			
Administration expenses		(366)	(1,104)
Accounting and audit fees		(3,745)	(15,300)
Loss on investment	5	-	(72,597)
Loss before income tax		(4,111)	(89,001)
Income tax expense	3	-	-
Loss after income tax for the period		(4,111)	(89,001)
Other comprehensive income, net of income tax		-	-
Total comprehensive loss for the period		(4,111)	(89,001)

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2023

	Notes	30 June 2023 \$	30 June 2022 \$
ASSETS			
Current Assets			
Trade and other receivables	4	72,599	72,675
Total Current Assets		72,599	72,675
Non-Current Assets			
Investment in FMSL	5	-	-
Total Non-Current Assets		-	-
Total Assets		72,599	72,675
LIABILITIES			
Current Liabilities			
Trade and other payables	6	12,500	15,300
Borrowings	7	80,612	73,777
Total Current Liabilities		93,112	89,077
Total Liabilities		93,112	89,077
Net Liabilities		(20,513)	(16,402)
EQUITY			
Issued capital	8	72,599	72,599
Accumulated losses		(93,112)	(89,001)
Total Equity		(20,513)	(16,402)

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2023

	Issued Capital	Accumulated Losses	Total
	\$	\$	\$
Balance at 30 June 2022	72,599	(89,001)	(16,402)
Loss for the period	-	(4,111)	(4,111)
Other comprehensive income	-	-	-
Total comprehensive loss	-	(4,111)	(4,111)
Transactions with equity holders in their capacity as owners	-	-	-
Total transactions with equity holders in their capacity as owners	-	-	-
Balance at 30 June 2023	72,599	(93,112)	(20,513)

	Issued Capital	Accumulated Losses	Total
	\$	\$	\$
Balance at Incorporation	-	-	-
Loss for the period	-	(89,001)	(89,001)
Other comprehensive income	-	-	-
Total comprehensive loss	-	(89,001)	(89,001)
Transactions with equity holders in their capacity as owners	-	-	-
Issuance of shares	72,599	-	72,599
Total transactions with equity holders in their capacity as owners	72,599	-	72,599
Balance at 30 June 2022	72,599	(89,001)	(16,402)

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the year ended 30 June 2023

	1 July 2022 to 30 June 2023	5 March 2021 to 30 June 2022
	\$	\$
Cash flows from operating activity		
Payment for investment in FMSL	-	(2)
Payments to suppliers	(6,835)	-
Net cash flows used in operating activity	<u>(6,835)</u>	<u>(2)</u>
Cash flows from investing activity		
Payment for investment in FMSL	-	(72,597)
Net cash flows used in investing activity	<u>-</u>	<u>(72,597)</u>
Cash flows from financing activity		
Proceeds from issued capital	-	72,599
Proceeds from Director loan	6,835	-
Net cash flows from financing activity	<u>6,835</u>	<u>72,599</u>
Net movement in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of financial year	-	-
Cash and cash equivalents at the end of the financial period	<u>-</u>	<u>-</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2023

Note 1. Corporate Information

Rosepoint Holdings Pty Ltd is a proprietary company limited by shares, incorporated and domiciled in Australia.

Note 2. Summary of Significant Accounting Policies

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets.

(b) Going Concern

The Company had a deficiency of assets to liabilities as at 30 June 2023. Notwithstanding this the financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The ability of the Company to continue as a going concern is dependent on the Company being able to continue to raise additional funds as and when required to meet ongoing working capital requirements.

Major shareholders have undertaken to provide financial support to the Company for at least the next 12 months from the date of this report. For this reason the directors consider it appropriate to prepare the financial report on a going concern basis.

(c) New and Amended Accounting Policies Adopted by the Company

During the period ended 30 June 2023, the Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board 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.

(d) Investments in Associates

An associate is an entity over which an investor has significant influence. Investments in associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recorded at cost. Subsequently, the carrying amount of the investment is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of

acquisition. The investor's share of the profit or loss of the investee is recognised in the investor's profit or loss.

The following transactions will have an impact on the carrying amount of the investment:

- distributions received from an investee reduce the carrying amount of the investment; and
- adjustments to the carrying amount may also be necessary for changes in the investor's proportionate interest in the investee arising from changes in the investee's other comprehensive income.

The investor's share of those changes is recognised in the investor's other comprehensive income. After the entity's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the entity has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. IAS 28 states that the entity's financial statements shall be prepared using uniform accounting policies for like transactions and events in similar circumstances. Therefore, if an associate uses accounting policies that differ from those of the entity, adjustments are required for consistency.

(e) Trade and Other Receivables

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

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

(f) Trade and Other Payables

Liability for trade creditors and other amounts are carried at amortised cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed.

(g) Borrowings

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

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs. On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a current liability until extinguished on conversion or redemption as the maturity date is within 12 months. The corresponding interest on convertible notes is expensed to profit or loss.

(h) Issued Capital

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

(i) Income Tax

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised, except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Income taxes relating to items recognised directly in equity are recognised in equity.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same tax authority.

(j) Goods and Services Tax ('GST')

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(k) New Accounting Standards for Application in Future Periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2023. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

(l) Critical Accounting Estimates and Judgments

The Director evaluated estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. In the opinion of the Director, there is no critical accounting estimates or judgments in this financial report. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial period are discussed below.

(m) Rounding of Amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument.

Note 3. Income Tax Expense

Major components of income tax expense are:

	2023	2022
	\$	\$
Income tax expense reported in the statement of profit or loss and other comprehensive income	-	-

A reconciliation of income tax expense applicable to accounting loss before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate is as follows:

	2023	2022
Loss before income tax	(4,111)	(89,001)
Prima facie tax calculated at 26%	(1,069)	(23,140)
Tax losses not recognised	1,069	23,140
Income tax expense	-	-

Availability of Tax Losses

The availability of the tax losses for future years is uncertain and will be dependent on the Company satisfying strict requirements with respect to continuity of ownership and the same business test imposed by income tax legislation.

The recoupment of available tax losses as at 30 June 2023 is contingent upon the following:

- (a) the Company deriving future assessable income of a nature and of an amount sufficient to enable the benefit from the losses to be realised;

- (b) the conditions for deductibility imposed by income tax legislation continuing to be complied with; and
- (c) there being no changes in income tax legislation which would adversely affect the Company from realising the benefit from the losses.

Given the Company is currently in a loss making position, a deferred tax asset has not been recognised with regard to unused tax losses, as it has not been determined that the Company will generate sufficient taxable profit against which the unused tax losses can be utilised.

Note 4. Trade and Other Receivables

	2023	2022
	\$	\$
GST receivable	-	76
Related party loans – Director/shareholders	72,599	72,599
Total trade and other receivables	72,599	72,675

Note 5. Investment in FMS Lithium

The investment in FMS Lithium Corporation ('FMSL') has been accounted for using the equity method of accounting. Information relating to the investments that are material to the Company are set out below:

Company	Country	Ownership Interest 30 Jun 2023	Ownership Interest 30 Jun 2022
FMS Lithium Corporation	USA	41%	43%

Reconciliation of the carrying amount of the investment:

Opening carrying amount	-	61,939
Share of losses after income tax	-	(61,939)
Closing carrying amount	-	-

Note 6. Trade and Other Payables

	2023	2022
	\$	\$
Trade creditors	5,500	-
Accruals	7,000	15,300
	12,500	15,300

Note 7. Borrowings

	2023	2022
	\$	\$
Loans – Director/shareholders	80,612	73,777
Total Borrowings	80,612	73,777

All loans made to the Company by related and third parties are unsecured, non-interest bearing and are due and payable within 12 months.

Note 8. Issued Capital

	2023	2022
	\$	\$
5,002 Ordinary shares – issued and fully paid	72,599	72,599

	Number of Shares	\$
Movement in Ordinary Shares on Issue		
On issue at 30 June 2022	5,002	72,599
Share issue costs	-	-
On issue at 30 June 2023	5,002	72,599

	Number of Shares	\$
Movement in Ordinary Shares on Issue		
On issue at Incorporation	5,002	72,599
Share issue costs	-	-
On issue at 30 June 2022	5,002	72,599

Note 9. Related Party Disclosures

There were no further transactions with related parties other than those disclosed above in Notes 4 and 7.

All transactions were made on normal commercial terms and conditions and at market rates.

Note 10. Auditor's Remuneration

	2023	2022
	\$	\$
Remuneration of the auditor for:		
Auditing the financial statements	3,500	7,000
Total auditor's remuneration	3,500	7,000

Note 11. Financial Risk Management Objectives and Policies**Financial Risk Management Policies**

Other than investments accounted for using the equity method, the Company's financial instruments consists mainly of trade and other receivables, trade and other payables and borrowings.

The main purpose of non-derivative financial instruments is to raise finance for the Company's operations. The Company does not speculate in the trading of derivative instruments.

Risk Exposures and Responses

The main risk the Company is exposed to through its financial instruments are market risk (including fair value and interest rate risk), credit risk, liquidity risk and foreign currency risk.

Fair values

Fair values of financial assets and liabilities are equivalent to carrying values due to their short terms to maturity.

Note 12. Commitments

There are no commitments at the end of the reporting period.

Note 13. Contingent Liabilities

The Company has no contingent liabilities at the end of the reporting period.

Note 14. Events after Reporting Date

No matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Director's Declaration For the Year Ended 30 June 2023

1. In the opinion of the Director:

- (a) the financial statements and notes 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 2023 and of its performance for the period ended on that date.
 - (ii) complying with Australian Accounting Standards, International Financial Reporting Standards as issued by the International Accounting Standards Board and *Corporations Regulations 2001*.
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001*.



Shanthar Pathmanathan
Director

Dated this 16th day of October 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROSEPOINT HOLDINGS PTY LTD

Opinion

We have audited the financial report of Rosepoint Holdings Pty Ltd (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss or other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, other explanatory information and the declaration by those charged with governance.

In our opinion the accompanying financial report of Rosepoint Holdings Pty Ltd is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the period then ended; and
- ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

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

Independence

We are independent of the Company in accordance with 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 also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's financial statements for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROSEPOINT HOLDINGS PTY LTD (CONTINUED)

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to include the economic decisions of the users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standard Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our audit report.

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



NEIL PACE
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 16th day of October 2023.