

ARK ENERGY

ARK Energy Limited
ACN 602 807 125

Financial Statements

1 July 2019 to 30 June 2020

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Corporate Directory

Directors

Tony Lawry
T Q Mehrtens
Zheng Xiao Jiang
Jan-Per Hole

Company Secretary

T Q Mehrtens

Registered & Principal Business Office

Level 11, 19 Grenfell Street
Adelaide, South Australia, 5000

Bankers

Commonwealth Bank of Australia
96 King William Street
Adelaide, South Australia, 5000

Principal Lawyers

Piper Alderman
Level 16, 70 Franklin Street
Adelaide, South Australia, 5000

Auditors

NRM Johnson Pty Ltd
First Floor, 19 Sturt Street
Adelaide, South Australia, 5000

ARK Energy Limited

ABN 27 602 807 125
PO Box 12
Rundle Mall
Adelaide, South Australia, 5000
Tel: +61 8 8132 9169

DIRECTORS' REPORT

ARK Energy Limited ("the **Company**" or "**ARK Energy**") is an unlisted public company incorporated and domiciled in Australia.

The directors present their report for the Company for the year ended 30 June 2020.

DIRECTORS

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

Mr T Q Mehrtens	
Director	(appointed 11 November 2014)
Company secretary	(appointed 1 October 2016)
Mr Zheng Xiao Jiang	(appointed 12 April 2017)
Mr Jan-Per Hole	(appointed 26 July 2017)
Mr Tony Lawry	(appointed 11 June 2020)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activity of the Company was advancing the assessment of coal deposits in South Australia in respect to their potential suitability for In-Situ Coal Gasification (ISG).

REVIEW OF OPERATIONS AND OPERATING RESULTS

The operating loss for the financial year to 30 June 2020 was \$69,143 (2019: \$58,753 loss). Additionally, expenditure incurred on projects capitalised as Exploration expenditure was \$10,861 (2019: \$24,167).

Following a promising start to tenement negotiations with Tristar Energy, negotiations slowed at their request, pending the outcome of other ISG projects in South Australia. Following the recent successes of the Leigh Creek Energy Limited ISG project, ARK has reengaged with TriStar.

The Company continues to work to recover the Irongrow loan through all avenues available. Irongrow Corporation Pty Ltd was placed into administration on 27 March 2018. The former sole director of Irongrow Corporation was successfully pursued by the company through the legal system and was found to be bankrupt.

It remains the intention of the Company to create a royalty stream for existing shareholders once the tenement issue is resolved with Tristar.

DIVIDENDS

The Directors do not recommend the payment of a dividend and no amount has been paid or declared since the end of the previous financial year.

LIKELY DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Pending the outcome of negotiations with the holder of the overlapping Petroleum Exploration Licences (PELs) in the Arckaringa, the next stage of the project will then involve attracting a strategic partner to advance on-ground site characterisation work.

AFTER REPORTING DATE EVENTS

There were no after reporting date events.

ENVIRONMENTAL ISSUES

The Company is required to comply with various Commonwealth and State environmental legislation in relation to its planned exploration activities and future development at licensed sites.

No notification of any breach of any environmental regulation has been received in respect of any of the Company's prior exploration activities during the year.

UNISSUED SHARES UNDER OPTIONS

At the date of this report, there are no unissued ordinary shares of ARK Energy under options.

INSURANCE PREMIUMS AND INDEMNITY

Since the end of the previous year the Company has paid insurance premiums in respect of Directors' and Officers' liability and legal expenses' insurance contracts.

The terms of the policies prohibit disclosure of details of the amount of insurance cover, the nature thereof and the premium paid.

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

AUDITOR'S INDEPENDENCE DECLARATION

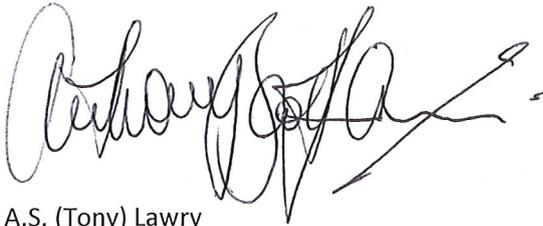
A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

AUDITOR'S INDEPENDENCE

NRM Johnson Pty Ltd has been appointed in accordance with Section 327 of the *Corporations Act 2001*.

The auditor has not been engaged during the year for any non-audit services which may have impaired the auditor's independence. The auditor's independence declaration for the year ended 30 June 2020 has been received and is included in this report.

Signed in accordance with a resolution of the Board.

A handwritten signature in black ink, appearing to read 'A.S. (Tony) Lawry', with a long horizontal stroke extending to the right.

A.S. (Tony) Lawry
Chairman

Dated at Adelaide, South Australia this

11th day of February 2021

DIRECTORS' DECLARATION

1. In the opinion of the Directors of ARK Energy Limited:
 - a. The financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:
 - (a) Giving a true and fair view of the financial position as at 30 June 2020 and of the performance of the Company for the year ended on that date; and
 - (b) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
 - 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. Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Board of Directors.



A.S. (Tony) Lawry
Chairman

Dated at Adelaide, South Australia this

1th day of February 2021

Auditors Independence Declaration

To the members of Ark Energy Limited

For the period ended 30 June 2020

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been:

1. No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

NRM Johnson Pty Ltd

Certified Practising Accountants

First Floor

19 Sturt Street

Adelaide SA 5000



Nicholas Matsis CPA

Director

ASIC Registered Company Auditor 77466

Adelaide, this 19th day of March, 2021

ARK ENERGY LIMITED ACN 602 807 125
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Other revenue		19	227
Other costs	2	(69,038)	(100,841)
		(69,019)	(100,614)
Finance income	3a	-	41,994
Finance costs	3b	(124)	(133)
Loss before income tax		(69,143)	(58,753)
Income tax benefit	4	-	-
Loss for the year after income tax		(69,143)	(58,753)
Total other comprehensive income		-	-
Total comprehensive (loss) for the year		(69,143)	(58,753)

The accompanying notes form part of these financial statements.

ARK ENERGY LIMITED ACN 602 807 125
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	14,795	48,246
Trade and other receivables	6	706,675	707,742
Total current assets		721,470	755,988
Non current assets			
Exploration and evaluation expenditure	7	563,117	552,256
Total non-current assets		563,117	552,256
Total assets		1,284,587	1,308,244
LIABILITIES			
Current liabilities			
Trade and other payables	8	24,393	41,907
Total current liabilities		24,393	41,907
Non current liabilities			
Trade and other payables	8	126,000	63,000
Total non current liabilities		126,000	63,000
Total liabilities		150,393	104,907
Net assets		1,134,194	1,203,337
EQUITY			
Issued capital	9	2,276,756	2,276,756
Retained losses		(1,142,562)	(1,073,419)
Total equity		1,134,194	1,203,337

ARK ENERGY LIMITED ACN 602 807 125
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

The accompanying notes form part of these financial statements.

ARK ENERGY LIMITED ACN 602 807 125
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	SHARE CAPITAL \$	RETAINED LOSSES \$	TOTAL \$
BALANCE 1 July 2019	2,276,756	(1,073,419)	1,203,337
<u>Total comprehensive income</u>			
Total profit or (loss)	-	(69,143)	(69,143)
Other comprehensive income	-	-	-
Total comprehensive income	-	(69,143)	(69,143)
<u>Transactions with members in their capacity as owners:</u>			
Funds received from capital raising	-	-	-
Underpayment	-	-	-
Total transactions with owners	-	-	-
BALANCE AT 30 June 2020	2,276,756	(1,142,562)	1,134,194
BALANCE 1 July 2018	2,174,713	(1,014,666)	1,160,047
<u>Total comprehensive income</u>			
Total profit or (loss)	-	(58,753)	(58,753)
Other comprehensive income	-	-	-
Total comprehensive income	-	(58,753)	(58,753)
<u>Transactions with members in their capacity as owners:</u>			
Funds received from capital raising	102,043	-	102,043
Underpayment	-	-	-
Total transactions with owners	102,043	-	102,043
BALANCE AT 30 June 2019	2,276,756	(1,073,419)	1,203,337

The accompanying notes form part of these financial statements.

ARK ENERGY LIMITED ACN 602 807 125
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Interest income received		19	117
Payments to suppliers and employees		(22,609)	(77,625)
Income tax refund		-	-
Net cash (used in) by operating activities	10(b)	(22,590)	(77,508)
Cash flows from investing activities			
Loan disbursement		-	-
Capitalised exploration costs		(10,861)	(24,167)
Net cash (used in) investing activities		(10,861)	(24,167)
Cash flow from financing activities			
Issue of shares		-	102,043
Share issue transaction costs		-	-
Net cash provided by financing activities		-	102,043
Net (decrease)/increase in cash held		(33,451)	368
Cash at the beginning of the year		48,246	47,878
Cash at the end of the year	10(a)	14,795	48,246

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. Summary of significant accounting policies

The principal activity of the Company was advancing the assessment of coal deposits in South Australia in respect to their potential suitability for In-Situ Coal Gasification (ISG).

a) General information and statement of compliance

The general purpose reduced disclosure financial statements have been prepared in accordance with Chapter 2M of the *Corporations Act 2001* and comply with Australian Accounting Standards, including Australian Accounting interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB). ARK Energy is a for-profit entity for the purposes of preparing the financial statements. The financial report has been presented in Australian dollars.

The financial statements have been prepared on an accruals basis and are based on historical costs.

b) Going concern assumption

As at 30 June 2020, the Company has accumulated losses of \$69,143 and net operating cash outflow for the year of \$22,590. Based on the current cash reserves of \$14,795 and management's cash flow forecasts, the Company has sufficient funds to pay its current and forecasted debts as and when they fall due. Accordingly, the Directors believe that the going concern assumption is appropriate.

c) Changes in accounting policy

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting report. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the Company's accounting policies.

(i) AASB 16 Leases

- replaces AASB 117 Leases and some lease-related Interpretations;
- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases;
- provides new guidance on the application of the definition of lease and on sale and lease back accounting;
- largely retains the existing lessor accounting requirements in AASB 117; and
- requires new and different disclosures about leases

This standard has no material impact on the transactions and balances recognised in the financial statements.

(ii) AASB 15 Revenue from Contracts with Customers

- replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations:
 - establishes a new revenue recognition model
 - changes the basis for deciding whether revenue is to be recognised over time or at a point in time
 - provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing)
 - expands and improves disclosures about revenue

This standard has no material impact on the transactions and balances recognised in the financial statements.

Apart from these standards, we have considered other accounting standards that will be applicable in future reporting periods, however they have been considered insignificant to the Company.

AASB 17 Insurance Contracts

- replaces AASB 4 Insurance Contracts, AASB 1023 General Insurance Contracts and AASB 1038 Life Insurance Contracts;
- requires all insurance contracts to be accounted for in a consistent manner and requires insurance obligations to be accounted for using current values;
- introduces insurance contract measurement principles requiring:
 - current, explicit and unbiased estimates of future cash flows
 - discount rates that reflect the characteristics of the contracts' cash flows
 - explicit adjustment for non-financial risk

When this standard is first adopted for the year ending 30 June 2022, there will be no material impact on the transactions and balances recognised in the financial statements.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, unless the GST incurred is not recoverable from the Australian Tax Office. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from the Australian Tax Office is included with other receivables in the statement of financial position.

Cash flows are presented in the cash flow statement on a GST inclusive basis.

e) Comparative Figures

Unless otherwise required by an accounting standard comparative information is disclosed in respect of the previous corresponding period, including for narrative and descriptive information. To the extent that items are amended or reclassified comparative amounts are also amended or reclassified. Prior period errors are retrospectively corrected in the next financial report following discovery.

f) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report 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 Group. The resulting accounting estimates will, by definition, seldom equal the related actual results. The areas involving significant estimates and assumptions are listed below:

- Exploration and Evaluation Expenditure – Note 8
Judgement is required to ensure that the carrying value of Exploration and Evaluation assets does not exceed the recoverable amount. Factors considered in this judgement are:

a) the period for which the entity has the right to explore in the specific area has expired or will expire in the near future;

b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;

c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities;

d) sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Management has made a judgement that, given these factors, the balance of Exploration and Evaluation assets is not impaired.

	2020	2019
	\$	\$
2 OTHER EXPENSES		
<i>Accounting policy – Other expenses</i>		
Other expenses represent costs incurred for administration of the business. Costs relating to the various tenements have been capitalised to Exploration and evaluation expenditure (as shown in Note 8).		
Corporate support expense	-	-
Recharged labour	-	-
Consulting and legal expenses	1,296	26,023
Investor relations expense	-	-
Advertising and marketing expense	-	-
Accounting and audit expense	5,836	7,527
Directors fees	60,000	60,000
Occupancy expense	-	-
Computer expenses	-	-
Filing Fees	1,573	1,410
Penalties and Fines	333	-
Insurance expense	-	5,881
Travel expense	-	-
Exploration write-down	-	-
Office expenses	-	-
Total other expenses	69,038	100,841
3 FINANCE INCOME AND COSTS		
<i>Accounting policy – Finance income and finance costs</i>		
Finance income includes interest revenue which is recognised on an accruals basis taking into account the interest rates applicable. It is recognised at the time the right to receive payment is established.		
Finance costs include transaction and holdings fees for bank accounts.		
a) Finance income		
Interest earned	-	41,994
Total finance income	-	41,994
b) Finance costs		
Bank fees	124	133
Total finance costs	124	133

	2020	2019
	\$	\$

4 INCOME TAX

Accounting policy – Income taxes

Deferred taxes are not recognised in the accounts. As the Company has carried forward tax losses, it does not have sufficient taxable temporary differences which will result in taxable amounts against which the unused tax losses can be utilised.

The amount of benefits which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the condition of deductibility imposed by the law.

Loss before income tax	(69,143)	(58,753)
Prima facie tax (benefit) on loss before income tax at 30% (2019: 30%)	(20,743)	(17,626)
Permanent differences:		
Entertainment non-deductible	-	-
Movement in unrecognised tax assets and liabilities	(3,158)	(8,522)
Current year tax loss not recognisable	23,901	26,148
Under/(Over) provided in prior year	-	-
Aggregate income tax expense	-	-
Aggregate income tax expense comprises:		
Current taxation expense	(20,743)	(17,626)
Net deferred tax	20,743	17,626
	-	-

Cumulative unused tax losses for which no deferred tax asset has been recognised:

Revenue losses	509,332	485,431
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The Company considers that in the future it will be generating taxable income to utilise carried forward tax losses, however, it does not meet the recognition criteria. Additionally, the carried forward tax losses can only be utilised in the future when taxable income is being generated, if the continuity of ownership test is passed, or failing that, the same business test is passed.

	2020	2019
	\$	\$

5 CASH AND CASH EQUIVALENTS

Accounting policy – Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks.

Cash at bank and on hand	14,795	48,246
Total cash and cash equivalents	14,795	48,246

6 TRADE AND OTHER RECEIVABLES

Accounting policy – Trade and other receivables

Receivables are recognised initially at fair value. At balance date, no receivables were considered to be outstanding or impaired.

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets.

GST recoverable	6,675	4,295
Refund of ASIC fee	-	3,447
Short term loan	700,000	700,000
Total trade and other receivables	706,675	707,742

7 EXPLORATION AND EVALUATION EXPENDITURE

Accounting policy – exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that right of tenure is current and those costs are expected to be recouped through the successful development of the area (or, alternatively by its sale) or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and operations in relation to the area are continuing.

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

Accumulated costs, in relation to an abandoned area, are written off in full against profit in the period in which the decision to abandon the area is made.

	2020 \$	2019 \$
7 EXPLORATION AND EVALUATION EXPENDITURE (contd)		
Opening balance	552,256	528,089
Costs capitalised during the year:		
Consultancy fees	-	-
Government fees	10,861	24,167
Total exploration and evaluation expenditure	563,117	552,256

Expenditure capitalised includes government licence fees, geotechnical consulting fees and scoping study fees.

In June 2016, further expenditure on the scoping study for projects in the Arckaringa Basin was put on hold pending the outcome of negotiations with the party holding the overlapping Petroleum Exploration Licences (PELs).

The Company's interests in tenements at 30 June 2020 report are as follows:

Licence	Location	Interest	Minimum expenditure over licence period ¹	Expiry date
EL 5598	East Wintinna/ Weedina	100%	\$760,700	-
EL 5699	East Wintinna	100%		18 January 2021
EL 5781	Wintinna	100%		-
ELA 2016/00076	Walloway	Pending	N/A	Pending approval

Note:

(1) The minimum expenditure requirements as set out by the Department of State Development in granting exploration licences are not compulsory, however, if minimum expenditure is not met, the total area (km²) licensed can be reduced.

8 TRADE AND OTHER PAYABLES

Trade and other payables consist of the following:

	2020 \$	2019 \$
Current trade and other payables		
Trade payables	24,393	36,907
Accruals	5,000	5,000
Non-current trade and other payables		
Trade payables	126,000	63,000
Total trade and other payables	150,393	104,907

Non-current trade payables consist of Director Fees valued at \$126,000 from the 2018 and 2019 financial years. The Directors have agreed that these invoices will not be payable until the company believes it is able to pay the amount whilst remaining solvent.

9 ISSUED CAPITAL

Accounting policy – Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares is shown in equity as a deduction from the proceeds. The Company does not have authorised capital or par value in respect of its issued shares.

Year ended 30 June 2020	Number	\$
Shares issued	374,248	2,277,477
Shares yet to be issued	-	-
Over/(Under) payments of capital	-	(721)
Balance at 30 June 2020	374,248	2,276,756

Year ended 30 June 2019	Number	\$
Shares issued	374,248	2,277,477
Shares yet to be issued	-	-
Over/(Under) payments of capital	-	(721)
Balance at 30 June 2019	374,248	2,276,756

a) Ordinary shares

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders' meeting each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

b) Capital management

Management objectives when managing capital are to ensure that the Company can fund further assessment of its coal deposits for potential suitability for ISG.

The Company manages the capital structure and makes adjustments to it in light of the forecast cash requirements. To that end, internal capital rationing is complemented by capital raising activities as required to ensure funding for development activities is in place.

There are no externally imposed capital requirements.

	2020	2019
	\$	\$

10 NOTES TO THE STATEMENT OF CASH FLOWS

a) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash on hand	14,795	48,246
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b) Reconciliation of Cash Flow from Operations with Loss after Tax

Loss after income tax	(69,143)	(58,753)
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Cash flows excluded from loss attributable to operating activities:

Non-cash flows in operating loss

Exploration write down	-	-
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Change in assets and liabilities

Decrease/(Increase) in receivables	1,068	(46,696)
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Increase/(Decrease) in payables	45,485	27,941
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Net Cash (used in) operating activities	(22,590)	(77,508)
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11 RELATED PARTY TRANSACTIONS

a) Directors fees

In accordance with the Shareholder Agreement, the Directors incurred the following fees which have not yet been paid during the financial year:

Mr T Mehrtens	30,000	30,000
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Mr Jan Per-Hole	30,000	30,000
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Total	60,000	60,000
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	2020	2019
	\$	\$

12 AUDITOR'S REMUNERATION

During the year the following fees were paid or payable for services provided by the Auditor of the Company (excluding GST):

Audit & review services	5,000	5,000
Taxation services	-	-
Total Remuneration	<u>5,000</u>	<u>5,000</u>

13 MATTERS SUBSEQUENT TO THE END OF THE YEAR

There have been no events subsequent to the end of the financial year.

14 COMPANY DETAILS

The registered office and principal place of business is:

ARK Energy Limited
Level 11, 19 Grenfell Street
Adelaide, South Australia 5000

Independent Auditor's Report

To the members of Ark Energy Limited

For the period ended 30 June 2020

Our opinion

In our opinion:

The accompanying financial report of Ark Energy Limited (the Company) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2020 showing net assets \$1,134,194
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the statement of profit or loss and other comprehensive income for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report comprises the contents of the Directors' Report, 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 identified above 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.

Independent Auditor's Report (cont)

To the members of Ark Energy Limited

For the period ended 30 June 2020

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

Responsibilities of the directors for the financial report

The Directors of the entity are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, and have determined that the accounting policies used and described in Note 1 to the financial statements, which form part of the financial reports, are appropriate to meet the financial reporting requirements of the members and the *Corporations Act 2001*. The Directors' responsibility also includes such internal control as management determines 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 entity'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 entity or to cease operations, or have no realistic alternative but to do so. The Directors are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Committee website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

NRM Johnson Pty Ltd

Certified Practising Accountants
First Floor
19 Sturt Street
Adelaide SA 5000



Nicholas Matsis CPA
Director
ASIC Registered Company Auditor 77466

Adelaide, this 19th day of March, 2021