PLATINUM BLASTING SERVICES PTY LTD AND CONTROLLED ENTITY

ABN: 67 600 020 488

Financial Statements

For the 12 Months Ended 31 March 2022

Contents

Directors' Report 3
Auditor's Independence Declaration 5
Consolidated Statement of Comprehensive Income 6
Consolidated Statement of Financial Position 7
Consolidated Statement of Changes in Equity 8
Consolidated Statement of Cash Flows 9
Notes to the Financial Statements 10
Directors Declaration...32
Independent Audit Report 33

Directors' Report

1. **General Information**

Directors

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

Sailesh Chimanlal Mehta
Prakash Wazirchand Seth
Clifford Martin Gale
Tapan Kumar Chatterjee
Amitabh Bhargava
Tarun Sinha

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 activities of the consolidated group during the year were sales and handling of explosives and explosive related raw materials, blasting services and operation expertise to the mining and explosives industries.

No significant change in the nature of these activities occurred during the year.

2. **Business Review**

Operating Results

The profit of the consolidated group for the financial year after providing for income tax amounted to $4,597,674.

Review of Operations

A review of the operations of the consolidated group during the 12 month period and the results of those operations found that during the period, the consolidated group continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

3. **Other Items**

Significant Changes in State of Affairs

No significant changes in the company's state of affairs occurred during the 12 month period.

Directors' Report (continued)

After Balance Day Events

No matters or circumstances have arisen since the end of the 12 month 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

A dividend of $649,600 in respect of FY20 was paid to members in May 2021.

A dividend of $2,255,680 in respect of FY21 was declared in August and subsequently paid to members in October 2021.

Environmental Issues

The company's operations are regulated by significant environmental regulation under laws of the Commonwealth and State or Territory.

Likely Developments

The company remains on a steady growth trajectory increasing its customer base year-on year. The company expects this growth to continue in the future.

Auditors Independence Declaration

The lead auditor's independence declaration made under Section 307C of the Corporations Act 2001 is set out on page 5 for the 12 months ended 31 March 2022.

Proceedings on Behalf of 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 part for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings during the year.

The company was not a part to any such proceedings during the year.

Signed in accordance with a resolution of the Board of Directors

Director:

Dated this:

Auditors Independence Declaration

I declare that, to the best of my knowledge and belief, during the 12 months ended 31 March 2022 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.

This declaration is in respect of Platinum Blasting Services Pty Ltd and Controlled Entity.

Vincents Assurance and Risk Advisory
Phillip Miller
Director

21 April 2022

PLATINUM BLASTING SERVICES PTY LTD AND CONTROLLED ENTITY

ABN: 67 600 020 488

Consolidated Statement of Comprehensive Income
For the 12 Months Ended 31 March 2022

	Note	2022	2021
		$	$
Sales revenue	4	69,973,278	66,688,070
Other Revenue		-	360
Cost of sales		(56,931,055)	(57,113,817)
Depreciation		(2,006,371)	(1,879,828)
Gross profit		**11,035,852**	**7,694,785**
Depreciation		(218,204)	(220,696)
Legal and compliance		(187,061)	(150,357)
Travelling expenses		(293,954)	(205,999)
Office expenses (including insurance)		(722,796)	(508,451)
Other expenses		(422,707)	(261,746)
Wages and salaries		(3,057,383)	(2,581,297)
Total expenses		**(4,902,105)**	**(3,743,546)**
Net Operating Profit		**6,133,747**	**3,766,239**
Interest received	4	2,418	7,756
Interest paid		(680,317)	(613,714)
Profit before income taxes		**5,455,848**	**3,160,281**
Income tax expense	6	(858,174)	(67,583)
Total comprehensive income		**4,597,674**	**3,092,698**

The accompanying notes form part of these financial statements.

PLATINUM BLASTING SERVICES PTY LTD AND CONTROLLED ENTITY

ABN: 67 600 020 488

Consolidated Statement of Financial Position
For the 12 Months as at 31 March 2022

	Note	2022 $	2021 $
ASSETS			
Current assets			
Cash and cash equivalents	5	1,163,850	5,105,228
Trade and other receivables	7	8,090,874	6,946,362
Inventories	8	5,011,413	7,383,434
Other current assets	9	1,484,393	2,266,400
Total current assets		**15,750,530**	**21,701,424**
Non-current assets			
Intangible assets	10	2,943,000	2,943,000
Capital work in progress	11	1,625,769	632,028
Property, plant and equipment	12	14,764,309	15,762,420
Other non-current assets	13	174,082	
Total non-current assets		**19,507,160**	**19,337,448**
TOTAL ASSETS		**35,257,690**	**41,038,872**
LIABILITIES			
Current liabilities			
Trade and other payables	14	6,703,849	7,828,365
Borrowings	15	5,466,437	6,058,225
Current tax liabilities	16	859,118	90,132
Accruals	18	1,005,021	543,286
Other financial liabilities	19	-	649,600
Provisions	17	1,023,123	566,190
Total current liabilities		**15,057,548**	**15,735,798**
Non-current liabilities			
Borrowings	15	3,134,683	9,859,386
Lease liabilities	20	3,507,126	4,227,349
Total non-current liabilities		**6,641,809**	**14,086,735**
TOTAL LIABILITIES		**21,699,357**	**29,822,533**
NET ASSETS		**13,558,333**	**11,216,339**
EQUITY			
Issued capital	21	9,520,168	9,520,168
Reserves		1,679,834	1,679,834
Retained earnings		2,358,331	16,337
TOTAL EQUITY		**13,558,333**	**11,216,339**

The accompanying notes form part of the financial statements.

PLATINUM BLASTING SERVICES PTY LTD AND CONTROLLED ENTITY

ABN: 67 600 020 488

Consolidated Statement of Changes in Equity

2022

	Note	Ordinary Shares	Retained Earnings	Capital Maintenance Reserve	Total
		$	$	$	$
Balance at 01 April 2021		**9,520,168**	**16,337**	**1,679,834**	**11,216,339**
Dividends		-	(2,255,680)	-	(2,255,680)
Profit attributable to members of the entity		-	4,597,674	-	4,597,674
Balance at 31 March 2022		**9,520,168**	**2,358,331**	**1,679,834**	**13,558,333**

2021

	Note	Ordinary Shares	Retained Earnings	Capital Maintenance Reserve	Total
		$	$	$	$
Balance at 01 April 2020		**9,520,168**	**(2,426,761)**	**1,679,834**	**8,773,241**
Dividends		-	(649,600)	-	(649,600)
Profit attributable to members of the entity		-	3,092,698	-	3,092,698
Balance at 31 March 2021		**9,520,168**	**16,337**	**1,679,834**	**11,216,339**

The accompanying notes form part of the financial statements.

PLATINUM BLASTING SERVICES PTY LTD AND CONTROLLED ENTITY

ABN: 67 600 020 488

Consolidated Statement of Cash Flows
For the 12 Months Ended 31 March 2022

	Note	2022 $	2021 $
Cash from operating activities:			
Receipts from customers		75,826,094	70,773,940
Payments to suppliers and employees		(65,838,182)	(67,288,011)
Interest received		2,418	7,756
Interest paid		(680,317)	(617,723)
Tax Paid		(89,189)	(286,535)
Net cash provided by (used in) operating activities	26	**9,220,824**	**2,589,427**
Cash flows from investing activities:			
Payment to acquire property, plant and equipment		(2,112,395)	(2,482,304)
Net cash used by investing activities		**(2,112,395)**	**(2,482,304)**
Cash flows from financing activities:			
Proceeds from share capital issues		-	-
Proceeds from borrowings		14,688,756	13,671,444
Repayment of borrowings		(22,005,247)	(9,504,216)
Repayment of lease liabilities		(828,036)	(728,843)
Dividends paid		(2,905,280)	-
Net cash used by financing activities		**(11,049,807)**	**3,438,385**
Net cash increase (decreases) in cash and cash equivalents		(3,941,378)	3,545,508
Cash and cash equivalents at beginning of year		5,105,228	1,559,720
Cash and cash equivalents at end of year	5	**1,163,850**	**5,105,228**

The accompanying notes form part of the financial statements.

Notes to the Financial Statements
For the 12 Months Ended 31 March 2022

General Information

This financial report represents Platinum Blasting Services Pty Ltd and Controlled Entity (the 'consolidated group' or 'group'. Platinum Blasting Services Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

The separate financial statements of the parent entity, Platinum Blasting Services Pty Ltd, have not been presented within this financial report as permitted by amendments made to the *Corporations Act 2001* effective as at 29 June 2011.

The financial statements were authorised for issue by the directors of the Company.

1. Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The material accounting policies that have been adopted in the preparation of this report are as follows.

a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the Parent Platinum Blasting Services Pty Ltd and all of the subsidiaries (including any structured entities). Subsidiaries are entities the Parent controls. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 22.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Inter-company transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as 'Non-controlling interests'. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

Notes to the Financial Statements
For the 12 Months Ended 31 March 2022
Accounting Policies (continued)

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.
A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exceptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations other than those associated with the issue of a financial instrument are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds a less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (‘full goodwill method’) or at the non-controlling interest’s proportionate share of the subsidiary’s identifiable net assets (‘proportionate interest method’). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interests is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interest is recognised in the consolidated financial statements.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the group’s cash-generating units or groups of cash-generating units, which represents the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Notes to the Financial Statements
For the 12 Months Ended 31 March 2022
Accounting Policies (continued)

b) Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

c) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

d) Property, Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Notes to the Financial Statements
For the 12 Months Ended 31 March 2022
Accounting Policies (continued)

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	10%
Computer equipment	33%
Mobile Processing Units (MPU's)	8.33%
Motor vehicles	20%
Computer software	33%
Buildings	1.18%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

e) Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

f) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probably that an outflow of economic benefits will result and that outflow can be reliably measured.

Notes to the Financial Statements
For the 12 Months Ended 31 March 2022
Accounting Policies (continued)

g) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

h) Going concern

The directors are of the opinion that the Company has adequate resources to continue as a going concern in the foreseeable future.

The Company continues to generate strong growth year on year, despite the ongoing effects of COVID-19 on logistics and labour markets.

i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

j) Revenue from contracts with customers

The Group is in the business of selling explosives and providing blasting and operational expertise services to the mining and explosives industries. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group concluded that it is the principal in its revenue arrangements because it controls the goods or services before transferring them to the customer.

Sales of explosives

Revenue from sale of explosives is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment at the customer's location. The normal credit term is 30 days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of and handling of explosives, the Group considers the effects of variable consideration, existence of a significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Notes to the Financial Statements
For the 12 Months Ended 31 March 2022
Accounting Policies (continued)

Provision of blasting services and operational expertise

The Group recognises revenue from the provision of blasting and operational expertise services over time because the customer simultaneously receives and consumes the benefits provided to them. The Group uses an input method in measuring progress of the services because there is a direct relationship between the Group's effort (i.e., based on the labour hours incurred) and the transfer of service to the customer. The Group recognises revenue on the basis of the labour hours expended relative to the total expected labour hours to complete the service.

k) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(o) for further discussion on the determination of impairment losses.

l) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

m) Borrowings

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred. No borrowing costs have been capitalised in the reporting period.

GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Notes to the Financial Statements
For the 12 Months Ended 31 March 2022
Accounting Policies (continued)

n) 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 Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash-flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

o) Financial Instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

Financial Assets are divided into the following categories which are described in detail below:

- loans and receivables
- available-for-sale financial assets; and

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the ‘finance income’ or ‘finance costs’ line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The company’s trade and other receivables fall into this category of financial instruments.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Notes to the Financial Statements
For the 12 Months Ended 31 March 2022
Accounting Policies (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for the inclusion in any of the other categories of financial assets or which have been designated in this category.

All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Financial liabilities

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities) which are measured at amortised cost using the effective interest rate method.

Impairment of Financial Assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Notes to the Financial Statements
For the 12 Months Ended 31 March 2022
Accounting Policies (continued)

Available-for sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through other comprehensive income – equity instrument (EVOCI – equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.
Amortised Cost

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Notes to the Financial Statements
For the 12 Months Ended 31 March 2022
Accounting Policies (continued)

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flow is discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

2. Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Impairment of goodwill

The Company assesses whether goodwill has suffered any impairment at the end of each reporting period in accordance with AASB136

In determining the recoverable amount, management takes into consideration various factors such as the current market conditions, performance indicators and past financial results.

Impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers.

Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible.

Extension options for leases

When the Company has the option to extend a lease, management uses its judgement to determine whether or not an option would be reasonably certain to be exercised. Management considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

		Note	2022 $	2021 $
4	**Revenue**			
	Operating Activities			
	- Sale of goods and services		69,973,278	66,688,070
	- Interest received		2,418	7,756
	Total Revenue		69,975,696	66,695,826
5	**Cash and Cash Equivalents**			
	Cash on hand		500	500
	Bank balances		1,163,350	5,104,728
	Total Cash and Cash Equivalents		1,163,850	5,105,228
6	**Tax Expense**			
	Income tax expense (income) comprises:			
	Current tax expense (income):			
	- Current year		(858,174)	(67,583)
	Total income tax expense (income)		(858,174)	(67,583)
7	**Trade and Other Receivables**			
	Trade receivables		7,446,458	6,186,471
	GST refundable		576,451	179,484
	Other receivables		67,965	580,407
	Total Trade and Other Receivables		8,090,874	6,946,362
8	**Inventories**			
	Raw materials		4,269,279	6,615,940
	Semi-Finished Goods		569,180	611,761
	Maintenance		158,944	142,784
	Personal Protective Equipment, Uniforms		14,010	12,949
	Total Inventories		5,011,413	7,383,434

		Note	2022	2021
			$	$
9	**Other Current Assets**			
	Prepayments		1,116,490	1,515,884
	Deposits		-	174,082
	Accrued Revenue		367,903	236,455
	Contract Assets		-	339,979
	Total Other Current Assets		1,484,393	2,266,400
10	**Intangible Assets**			
	Goodwill		2,943,000	2,943,000
	Total Intangible Assets		2,943,000	2,943,000
11	**Capital Work in Progress**			
	Capital work in progress		1,625,769	632,028
	Total Capital Work in Progress		1,625,769	632,028
	Balance at 1 April 2021		632,028	
	Additions		2,115,632	
	Capitalised		(1,121,891)	
	Balance at 31 March 2022		1,625,769	
	Balance at 1 April 2020		3,616,174	
	Additions		2,590,247	
	Capitalised		(5,574,393)	
	Balance at 31 March 2021		632,028	

	Note	2022	2021
		$	$
12 Property, Plant and Equipment			
Plant and Equipment			
Plant and Equipment			
At cost		8,644,214	7,746,155
Less accumulated depreciation		(2,031,528)	(1,413,655)
Total Plant and Equipment		6,612,686	6,332,500
Computer Equipment			
At cost		115,829	125,620
Less accumulated depreciation		(82,898)	(85,180)
Total Computer Equipment		32,931	40,440
Mobile Processing Units (MPU)			
At cost		8,132,496	7,959,629
Less accumulated depreciation		(3,221,901)	(2,553,705)
Total Mobile Processing Units		4,910,595	5,405,924
Motor Vehicles			
At cost		1,663,758	1,573,482
Less accumulated depreciation		(1,074,377)	(768,161)
Total Motor Vehicles		589,381	805,321
Computer Software			
At cost		176,990	172,070
Less accumulated depreciation		(154,747)	(147,703)
Total Computer Software		22,243	24,367
Furniture and Fittings			
At cost		4,182	4,182
Less accumulated depreciation		(872)	(453)
Total Computer Software		3,310	3,729
Total Plant and Equipment		12,171,146	12,612,281
Land and Buildings			
Land and Buildings			
At cost		4,084,155	4,035,902
Less accumulated depreciation		(1,585,320)	(1,005,209)
Total Land and Buildings		2,498,835	3,030,693

Notes to the Financial Statements
For the 12 Months Ended 31 March 2022

		Note	2022	2021
			$	$
12	**Property, Plant and Equipment (continued)**			
	Leasehold Improvements			
	Leasehold Improvements			
	At cost		214,083	214,083
	Less accumulated depreciation		(119,755)	(94,637)
	Total Leasehold Improvements		94,328	119,446
	Total Property, Plant and Equipment		14,764,309	15,762,420

	Property, Plant and Equipment
Balance at 1 April 2021	15,762,420
Additions	1,226,464
Depreciation expense	(2,224,575)
Balance at 31 March 2022	14,764,309

	Property, Plant and Equipment
Balance at 1 April 2020	11,645,037
Additions	6,217,907
Depreciation expense	(2,100,524)
Balance at 31 March 2021	15,762,420

		2022	2021
13	**Other Non-Current Assets**		
	Deposits	174,082	-
	Total Other Non-Current Assets	174,082	-
14	**Trade and Other Payables**		
	Unsecured liabilities		
	Trade payables	5,287,992	6,205,705
	Unearned revenue	544,744	706,509
	Payroll liabilities	176,678	127,578
	GST payable	577,651	507,796
	Other payables	116,784	280,777
	Total Trade and Other Payables	6,703,849	7,828,365

		Note	2022	2021
			$	$
15	**Borrowings**			
	CURRENT			
	Secured liabilities:			
	Working capital facility		3,500,000	3,500,000
	Term loans		1,966,437	2,558,225
	Total Current Borrowings		5,466,437	6,058,225
	NON-CURRENT			
	Working capital facility		-	6,500,000
	Term loans		3,134,683	3,359,386
	Total Non-Current Borrowings		3,134,683	9,859,386

As at 31 March 2022, the Company held $10,000,000 working capital facility line of credit.

			2022	2021
16	**Current Tax Liabilities**			
	Income tax payable		859,118	90,132
	Total Current Tax Liabilities		859,118	90,132
17	**Provisions**			
	Employee annual leave		901,040	542,190
	Employee personal leave		122,083	24,000
	Total Provisions		1,023,123	566,190
18	**Accruals**			
	General accruals		1,005,021	543,286
	Total Accruals		1,005,021	543,286
19	**Other Financial Liabilities**			
	Dividend payable		-	649,600
	Total Other Financial Liabilities		-	649,600

20 Leases

Company as a lessee

The Company has leases over a range of assets including plant and equipment, land and buildings, vehicles and IT equipment.

Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases

Land and building leases consist of the Corporate office building with parking bays, explosives storage and handling facility, maintenance workshop and land where the Emulsion Plant is located. Expiry of the leases range from 1 to 3 years with varying terms around rate adjustments and extension options.

Motor vehicle leases relate to light vehicles used by operations personnel with expiry ranging from 1 to 3 years. The rentals are fixed with no option to extend.

Computer equipment lease relates to the photocopiers with expiry of 2 years. Rentals are fixed with no further option to extend.

2022 (These balances are included in the PPE balances in Note 12)

Right-of-use assets

	Plant and Equipment	Land and Buildings	Motor Vehicles	Computer Equipment	Total
	$	$	$	$	$
Year ended 31 March 2022					
Balance at beginning of year	110,753	3,030,693	515,787	13,901	3,671,134
Addition		60,993	60,369		121,362
Depreciation charge	(36,918)	(580,111)	(214,227)	(4,654)	(835,910)
Adjustment	-	(12,740)	(809)	-	(13,549)
Balance at end of year	**73,835**	**2,498,835**	**361,120**	**9,247**	**2,943,037**

2021 (These balances are included in the PPE balances in Note 12)

Right-of-use assets

	Plant and Equipment	Land and Buildings	Motor Vehicles	Computer Equipment	Total
	$	$	$	$	$
Year ended 31 March 2021					
Balance at beginning of year	-	3,638,725	41,058	10,544	3,690,327
Addition	147,671	31,228	629,139	7,847	815,885
Depreciation charge	(36,918)	(574,832)	(154,410)	(4,490)	(770,650)
Adjustment	-	(64,429)	-	-	(64,429)
Balance at end of year	**110,753**	**3,030,693**	**515,787**	**13,901**	**3,671,134**

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year $	1 -5 years $	> 5 years $	Total undiscounted lease liabilities $	Lease liabilities included in this Statement of Financial Position $
2022					
Lease liabilities	**1,042,184**	**2,631,856**	**195,508**	**3,869,549**	**3,507,126**

	< 1 year $	1 -5 years $	> 5 years $	Total undiscounted lease liabilities $	Lease liabilities included in this Statement of Financial Position $
2021					
Lease liabilities	**969,485**	**3,117,458**	**674,003**	**4,760,946**	**4,227,349**

Extension options

A number of land and building leases contain extension options which allow the Company to extend the lease term by up to twice the original non-cancellable period of the lease.

The Company includes options in the leases to provide flexibility and certainty to the Company operations and reduce costs of moving premises and the extension options are at the Company's discretion.

At commencement date and each subsequent reporting date, the Company assesses where it is reasonably certain that the extension options will be exercised.

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	2022 $	2021 $
Interest expense on lease liabilities	174,434	186,010
Depreciation of right-of-use assets	835,911	770,650
	1,010,345	**611,943**

Statement of Cash Flows

Total cash outflow for leases	**828,036**	**728,843**

		Note	2022 $	2021 $
21	**Issued Capital**			
	Ordinary Shares		9,520,168	9,520,168
	Total Issued Capital		9,520,168	9,520,168

The company has authorised share capital amounting to 112,000 ordinary shares.

Ordinary shares participate in dividends and the proceeds on winding up of the company 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 show of hands.

22 Interests in Other Entities

Details of the company's subsidiary are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the company. The country of incorporation or registration is also their principal place of business.

		Ownership Interest Held	
Name of Entity	**Country of Incorporation**	**2022**	**2021**
Australian Mining Explosives Pty Ltd	Australia	100%	100%

23 Commitments and Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 March 2022.

24 Related Party Transactions

Parent Entity:
The company is controlled by the following entity:

Name	**Type**	**Place of Incorporation**
Smartchem Technologies Limited	Ultimate Parent Entity	India

(a) Key Management Personnel Compensation

	2022	**2021**
	$	**$**
Compensation	1,991,333	1,962,058
Total Key Management Personnel Compensation	1,991,333	1,962,058

(b) Transactions with Related Parties

The following transactions occurred with related parties:

	2022	**2021**
Purchases of goods and services from related parties:		
- Phoenix Blasting Services Pty Ltd	-	10,865
- Blue Diamond (Australia) Pty Ltd	396,780	10,201,988
Sale of goods and services from related parties:		
- Blue Diamond (Australia) Pty Ltd	2,691,000	-

The following balances with related parties were outstanding at the end of reporting period:

	2022	**2021**
Receivable from related parties:		
- Smartchem Technologies Limited	399,816	212,711

25 Financial Risk Management

This note explains the Company's exposure to financial risks and how these risks could affect the Company's future financial performance.

The Company's risk management is carried out by the board of directors. The board provides the overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments.

26 Financial Risk Management (continued)

Derivatives - Cash Flows Hedge

At balance date, the Company had no hedges in place.

Credit Risk

Credit risk arises from cash and cash equivalents, held to maturity investments, favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables.

i) Impaired trade receivables

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet been identified. For these receivables the estimated impairment losses are recognised in a separate provision for doubtful debts.

As at balance date, the Company does not have impaired trade receivables.

27	Cash Flow Information	2022	2021
		$	$
	Net income for the period	4,597,674	3,092,698
	Cash flows excluded from profit attributable to operating activities:		
	Depreciation	2,224,575	2,100,524
	Adjustment to leases	-	6,263
	(Increase)/decrease in trade and term receivables	(1,144,511)	(2,583,297)
	(Increase)/decrease in prepayments	607,925	(1,635,053)
	(Increase)/decrease in inventories	2,372,021	(3,585,004)
	Increase/(decrease) in payable and accruals	(662,779)	5,259,819
	Increase/ (decrease) in income taxes payable	768,986	(218,951)
	Increase/ (decrease) in provisions	456,933	152,430
	Net cash paid by / (used in) operating activities	**9,220,824**	**2,589,427**

28 Company Details

Registered Office & Principal Place of Business

The registered office & principal place of business of the company is:

500 Queen Street

BRISBANE QLD 4000

PLATINUM BLASTING SERVICES PTY LTD AND CONTROLLED ENTITY

ABN: 67 600 020 488

Directors Declaration
For the 12 Months Ended 31 March 2022

For the 12 months ended 31st March 2022, the directors have determined that:

a) The financial statements and notes set out on pages 3 to 32 are in accordance with the *Corporations Act 2001,* including:

   I. Complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001,* and

   II. Giving a true and fair view of the Company's financial position as at 31 March 2022 and of its performance for the financial year ended on that date, 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.

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

Director

Cliff Gale

Date:

VINCENTS

Independent Audit Report to the directors of Platinum Blasting Services Pty Ltd and Controlled Entity

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Platinum Blasting Services Pty Ltd and Controlled Entity (the Group), which comprises the consolidated statement of financial position as at 31 March 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial statements of the Group is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 31 March 2022 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards – Reduced Disclosure Requirements 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 Statements* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial statements in Australia. We have also fulfilled our other 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 Group, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of Directors for the Financial Statements

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

In preparing the financial statements, the directors are responsible for assessing the Group'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 intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 statements.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Vincents Assurance & Risk Advisory
Phillip Miller
Director
Brisbane, QLD

21 April 2022