PLATINUM BLASTING SERVICES PTY LTD AND CONTROLLED ENTITY

ABN: 67 600 020 488

Financial Statements

For the 12 Months Ended 31 March 2023

PLATINUM BLASTING SERVICES PTY LTD AND CONTROLLED ENTITY

ABN: 67 600 020 488

Contents

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**

   Overview of the Group

   These consolidated financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. In the prior year, the consolidated financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.

   In preparing these consolidated financial statements, the Group has adopted AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.

   There was no impact on the amounts recognised, measured and classified in the statements of financial position, financial performance and cash flows of the Group as a result of the change in basis of preparation

   Operating Results

   The profit of the consolidated group for the financial year after providing for income tax amounted to $6,663,001 (2021: $4,597,674).

Directors' Report (continued)

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.

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 $2,509,920 in respect of FY22 was declared in September 2022 and paid to members in October 2022.

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 6 for the 12 months ended 31 March 2023.

Directors' Report (continued)

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

As lead auditor for the audit of Platinum Blasting Services Pty Ltd and its controlled entity for the year ended 31 March 2023, I declare that, to the best of my knowledge and belief, 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 the entity it controlled during the period.

Victor Uson
Director
Vincents Assurance & Risk Advisory

Brisbane QLD
24 April 2023

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 2023

	Note	2023 $	2022 $
Sales of goods and services	4	91,829,228	69,973,278
Cost of sales		(72,666,006)	(56,931,055)
Depreciation		(2,371,494)	(2,006,371)
Gross profit		**16,791,728**	**11,035,852**
Other income		1,218	-
Depreciation		(228,846)	(218,204)
Legal and compliance		(583,391)	(187,061)
Travelling expenses		(360,994)	(293,954)
Office expenses (including insurance)		(825,293)	(722,796)
Other expenses		(492,630)	(422,707)
Wages and salaries		(3,834,740)	(3,057,383)
Net Operating Profit		**10,467,052**	**6,133,747**
Interest received	4	3,532	2,418
Interest paid		(946,438)	(680,317)
Profit before income taxes		**9,524,146**	**5,455,848**
Income tax expense	6	(2,861,145)	(858,174)
Total comprehensive income		**6,663,001**	**4,597,674**

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 2023

	Note	2023 $	2022 $
ASSETS			
Current assets			
Cash and cash equivalents	5	1,263,298	1,163,850
Trade and other receivables	7	15,445,379	8,090,874
Inventories	8	7,995,009	5,011,413
Other current assets	9	1,219,201	1,484,393
Total current assets		**25,922,887**	**15,750,530**
Non-current assets			
Intangible assets	10	2,943,000	2,943,000
Capital work in progress	11	1,783,674	1,625,769
Property, plant and equipment	12	17,965,761	14,764,309
Other non-current assets	13	178,889	174,082
Total non-current assets		**22,871,324**	**19,507,160**
TOTAL ASSETS		**48,794,211**	**35,257,690**
LIABILITIES			
Current liabilities			
Trade and other payables	14	8,561,208	6,703,849
Borrowings	15	5,876,365	5,466,437
Current tax liabilities		2,095,193	859,118
Accruals	17	3,048,372	1,005,021
Provisions	16	1,261,156	1,023,123
Total current liabilities		**20,842,294**	**15,057,548**
Non-current liabilities			
Borrowings	15	7,038,271	3,134,683
Provisions	16	335,551	-
Lease liabilities	18	2,767,760	3,507,126
Deferred tax liabilities	6	1,335,572	-
Total non-current liabilities		**11,477,154**	**6,641,809**
TOTAL LIABILITIES		**32,319,448**	**21,699,357**
NET ASSETS		**16,474,763**	**13,558,333**
EQUITY			
Issued capital	19	9,520,168	9,520,168
Reserves		1,679,834	1,679,834
Retained earnings		5,274,761	2,358,331
TOTAL EQUITY		**16,474,763**	**13,558,333**

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

2023

	Note	Ordinary Shares	Retained Earnings	Capital Maintenance Reserve	Total
		$	$	$	$
Balance at 01 April 2022		**9,520,168**	**2,358,331**	**1,679,834**	**13,558,333**
Adjustment to recognise opening deferred tax liabilities			(1,236,651)		(1,236,651)
Adjusted balance at 01 April 2022		**9,520,168**	**1,121,680**	**1,679,834**	**12,321,682**
Dividends		-	(2,509,920)	-	(2,509,920)
Profit attributable to members of the entity		-	6,663,001	-	6,663,001
Balance at 31 March 2023		**9,520,168**	**5,274,761**	**1,679,834**	**16,474,763**

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**

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 2023

	Note	2023 $	2022 $
Cash from operating activities:			
Receipts from customers		97,121,517	75,826,094
Payments to suppliers and employees		(86,194,887)	(65,838,182)
Interest received		3,533	2,418
Interest paid		(946,437)	(680,317)
Tax Paid		(1,526,149)	(89,189)
Net cash provided by (used in) operating activities		**8,457,577**	**9,220,824**
Cash flows from investing activities:			
Proceeds from sale of property, plant and equipment		5,639	-
Payment to acquire property, plant and equipment		(5,823,008)	(2,112,395)
Net cash used by investing activities		**(5,817,369)**	**(2,112,395)**
Cash flows from financing activities:			
Proceeds from borrowings		19,847,856	14,688,756
Repayment of borrowings		(18,998,210)	(22,005,247)
Repayment of lease liabilities		(880,486)	(828,036)
Dividends paid		(2,509,920)	(2,905,280)
Net cash used by financing activities		**(2,540,760)**	**(11,049,807)**
Net cash increase (decreases) in cash and cash equivalents		99,448	(3,941,378)
Cash and cash equivalents at beginning of year		1,163,850	5,105,228
Cash and cash equivalents at end of year	5	**1,263,298**	**1,163,850**

The accompanying notes form part of the financial statements.

Notes to the Financial Statements
For the 12 Months Ended 31 March 2023

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 – Simplified Disclosures 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.

Adoption of new and revised accounting standards

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory and elected to adopt *AASB1060 General Purpose Financial Statements: Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 1060 General Purpose Financial Statements· Simplified Disclosures for For-Profit and Not/or-Profit Tier 2 Entities

The Group has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments

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 its subsidiary Australian Mining Explosives Pty Ltd. 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. The reporting period of the parent and its subsidiary is identical and a list of the subsidiary is provided in Note 21.

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.

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.

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.

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences except when the deferred tax liability arises from the initial recognition of goodwill or 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; or in respect of taxable temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset or liability is settled based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit and loss is recognized outside profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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.

Notes to the Financial Statements
For the 12 Months Ended 31 March 2023
Accounting Policies (continued)

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.

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.

Notes to the Financial Statements
For the 12 Months Ended 31 March 2023
Accounting Policies (continued)

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.

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 while employee benefits that are not expected to be settled with one year are measured as the present value of expected future payments to be made.

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.

Notes to the Financial Statements
For the 12 Months Ended 31 March 2023
Accounting Policies (continued)

i) Current / Non-current distinction

Assets

The Group classifies assets as current when: (a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle; (b) it holds the asset primarily for the purpose of trading; (c) it expects to realise the asset within twelve months after the reporting period; or (d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Liabilities

The Group classifies liabilities as current when: (a) it expects to settle the liability in its normal operating cycle; (b) it holds the liability primarily for the purpose of trading; (c) the liability is due to be settled within twelve months after the reporting period; or (d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

j) 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.

k) 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).

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.

l) 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(p) for further discussion on the determination of impairment losses.

m) 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.

n) 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.

o) 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.

Notes to the Financial Statements
For the 12 Months Ended 31 March 2023
Accounting Policies (continued)

p) 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

All recognised financial assets are measured subsequently 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

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

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.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost; and
- contract assets.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets are more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

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.

Estimation of useful lives of property, plant and equipment

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment when the published guidance from the Australian Taxation Office is not suitable or available for the asset in question.

In determining the useful life of the asset, management takes into account factors such as current condition of the asset, how the asset will be used within the business as well as any learnings from past experience.

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.

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.

		2023 $	2022 $
4	**Revenue**		
	Operating Activities		
	- Sale of goods and services	91,829,228	69,973,278
	- Interest received	3,532	2,418
	Total Revenue	91,832,760	69,975,696
5	**Cash and Cash Equivalents**		
	Cash on hand	500	500
	Bank balances	1,262,798	1,163,350
	Total Cash and Cash Equivalents	1,263,298	1,163,850
6	**Income taxes**		
	CURRENT TAX EXPENSE		
	Current tax on profits for the year	2,762,224	896,103
	Changes in estimates related to prior years	-	(37,929)
	Total current tax expense	2,762,224	858,174
	DEFERRED TAX EXPENSE		
	Origination and reversal of temporary differences	98,921	-
	Recognition of previously unrecognised deductible temporary differences	-	-
	Total deferred tax expense	98,921	-
	Tax expense on continuing operations	**2,861,145**	**858,174**
	Reconciliation of prima-facie income tax to tax expense		
	Profit before tax	9,524,146	5,455,848
	Tax at the rate of 30%	2,857,243	1,636,754
	Tax effect of:		
	Non-deductible expenses	3,902	2,076
	Temporary differences not recognised		(780,656)
	Income Tax expense reported in the statement of profit or loss	**2,861,145**	**858,174**

6 Income taxes (continued)

The movement of deferred tax assets and liabilities for the year ended 30 March 2023:

	1 April 2022 $	Charged to Income $	Charged to Equity * $	31 March 2023 $
Plant and Equipment	-	(613,610)	(1,553,306)	(2,166,916)
Accrued Revenue	-	(48,982)	(110,371)	(159,353)
Employee benefits provisions	-	171,200	307,812	479,012
Accrued Expenses	-	376,198	89,138	465,336
Other	-	16,273	30,076	46,349
Net deferred tax asset / (liabilities)	**-**	**(98,921)**	**(1,236,651)**	**(1,335,572)**

* Amounts charged to equity represent deferred tax balances not recognised in respect prior year.

7 Trade and Other Receivables

	2023 $	2022 $
Trade receivables	11,494,718	7,446,458
GST refundable	407,835	576,451
Other receivables	3,542,826	67,965
Total Trade and Other Receivables	15,445,379	8,090,874

8 Inventories

	2023 $	2022 $
Raw materials	7,356,852	4,269,279
Semi-Finished Goods	461,465	569,180
Maintenance	195,451	158,944
Personal Protective Equipment, Uniforms	11,241	14,010
Allowance for stock obsolescence	(30,000)	-
Total Inventories	7,995,009	5,011,413

Provision for stock obsolescence recognised during the year amounted to $30,000.
This was recognised as an expense during the period and is included in cost of sales in the consolidated income statement.

9 Other Current Assets

	2023 $	2022 $
Prepayments	688,025	1,116,490
Accrued Revenue	531,176	367,903
Total Other Current Assets	1,219,201	1,484,393

		2023	2022
		$	$
10	**Intangible Assets**		
	Goodwill	2,943,000	2,943,000
	Total Intangible Assets	2,943,000	2,943,000

There was no movement in goodwill during the year.

* The goodwill is attributable mainly to the product storage and handling capabilities of Australian Mining Explosives and the synergies expected to be achieved from integrating the company into the Group's business.

		2023	2022
11	**Capital Work in Progress**		
	Capital work in progress	1,783,674	1,625,769
	Total Capital Work in Progress	1,783,674	1,625,769

Balance at 1 April 2022	1,625,769
Additions	5,823,008
Capitalised	(5,665,103)
Balance at 31 March 2023	1,783,674
Balance at 1 April 2021	632,028
Additions	2,115,632
Capitalised	(1,121,891)
Balance at 31 March 2022	1,625,769

		2023	2022
12	**Property, Plant and Equipment**		
	Plant and Equipment		
	Plant and Equipment		
	At cost	9,931,372	8,644,214
	Less accumulated depreciation	(2,710,406)	(2,031,528)
	Total Plant and Equipment	7,220,966	6,612,686
	Computer Equipment		
	At cost	115,829	115,829
	Less accumulated depreciation	(105,401)	(82,898)
	Total Computer Equipment	10,428	32,931

12	Property, Plant and Equipment (continued)	2023 $	2022 $
	Mobile Processing Units (MPU)		
	At cost	11,985,110	8,132,496
	Less accumulated depreciation	(4,143,217)	(3,221,901)
	Total Mobile Processing Units	7,841,893	4,910,595
	Motor Vehicles		
	At cost	2,086,991	1,663,758
	Less accumulated depreciation	(1,388,102)	(1,074,377)
	Total Motor Vehicles	698,889	589,381
	Computer Software		
	At cost	176,990	176,990
	Less accumulated depreciation	(161,305)	(154,747)
	Total Computer Software	15,685	22,243
	Furniture and Fittings		
	At cost	4,182	4,182
	Less accumulated depreciation	(1,290)	(872)
	Total Computer Software	2,892	3,310
	Total Plant and Equipment	15,790,753	12,171,146
	Land and Buildings		
	Land and Buildings		
	At cost	4,112,024	4,084,155
	Less accumulated depreciation	(2,180,373)	(1,585,320)
	Total Land and Buildings	1,931,651	2,498,835
	Leasehold Improvements		
	Leasehold Improvements		
	At cost	389,309	214,083
	Less accumulated depreciation	(145,952)	(119,755)
	Total Leasehold Improvements	243,357	94,328
	Total Property, Plant and Equipment	17,965,761	14,764,309

12 Property, Plant and Equipment (continued)

	Property, Plant and Equipment
Balance at 1 April 2022	14,764,309
Additions	5,834,463
Disposals	(32,671)
Depreciation expense	(2,600,340)
Balance at 31 March 2023	17,965,761
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

13 Other Non-Current Assets

	2023	2022
	$	$
Deposits	178,889	174,082
Total Other Non-Current Assets	178,889	174,082

14 Trade and Other Payables

	2023	2022
<u>Unsecured liabilities</u>		
Trade payables	6,835,884	5,287,992
Unearned revenue	476,131	544,744
Payroll liabilities	307,569	176,678
GST payable	933,624	577,651
Other payables	8,000	116,784
Total Trade and Other Payables	8,561,208	6,703,849

Notes to the Financial Statements
For the 12 Months Ended 31 March 2023

		2023	2022
		$	$
15	**Borrowings**		
	CURRENT		
	Secured liabilities:		
	Working capital facility	-	3,500,000
	Term loans	5,876,365	1,966,437
	Total Current Borrowings	5,876,365	5,466,437
	NON-CURRENT		
	Working capital facility	-	-
	Term loans	7,038,271	3,134,683
	Total Non-Current Borrowings	7,038,271	3,134,683

As at 31 March 2023, the Company held $10,500,000 working capital facility line of credit.

No borrowing costs have been capitalised during the reporting period.

		2023	2022
16	**Provisions**		
	CURRENT		
	Employee annual leave	1,053,966	901,040
	Employee personal leave	207,190	122,083
	Total Current Provisions	1,261,156	1,023,123
	Employee long service leave	335,551	-
	Total Non-Current Provisions	335,551	-
	Total Provisions	1,596,707	1,023,123

	Balance at 1 April 2022	1,023,123
	Additions	1,720,267
	Utilised	(1,120,465)
	Unused amount reversed	(26,218)
	Balance at 31 March 2023	1,596,707

		2023	2022
17	**Accruals**		
	General accruals	3,048,372	1,005,021
	Total Accruals	3,048,372	1,005,021

18 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 4 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 1 year. Rentals are fixed with no further option to extend.

2023 (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	73,835	2,498,835	361,120	9,247	2,943,037
Addition			61,716		61,716
Disposal			(27,372)		(27,372)
Depreciation charge	(36,918)	(583,749)	(217,613)	(4,654)	(842,934)
Adjustment	-	16,565	89,859	-	106,424
Balance at end of year	**36,917**	**1,931,651**	**267,710**	**4,593**	**2,240,871**

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**

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 $
2023					
Lease liabilities	**1,018,026**	**1,857,722**	**129,673**	**3,005,421**	**2,767,760**

	< 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**	**3,869,548**	**3,507,126**

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:

	2023 $	2022 $
Interest expense on lease liabilities	138,481	174,434
Depreciation of right-of-use assets	844,153	835,911
	982,634	**1,010,345**

Statement of Cash Flows

Total cash outflow for leases	**880,486**	**828,036**

19 Issued Capital

	2023 $	2022 $
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.

20 Imputation credits

	2023	2022
Franking account balance at 31 March	**632,466**	**181,996**
Imputation credits that will arise from the payment of the current tax liability	2,095,193	859,118
Adjusted Franking account balance	**2,727,659**	**1,041,114**

21 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**	**2023**	**2022**
Australian Mining Explosives Pty Ltd	Australia	100%	100%

22 Commitments and Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 March 2023.

23 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	**2023**	**2022**
	$	**$**
Compensation	2,115,319	1,991,333
Total Key Management Personnel Compensation	2,115,319	1,991,333

(b) Transactions with Related Parties

The following transactions occurred with related parties:

	2023	2022
Purchases of goods and services from related parties:		
- Blue Diamond (Australia) Pty Ltd	521,404	396,780
Sale of goods and services to related parties:		
- Blue Diamond (Australia) Pty Ltd	-	2,691,000

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

	2023	2022
Receivable from related parties:		
- Smartchem Technologies Limited	-	399,816

24 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.

24 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.

25 Remuneration of auditors

	2023	2022
	$	$
Vincents and related network firms *		
Audit or review of financial reports	38,723	35,809

* The auditor of Platinum Blasting Services Pty Ltd is Vincents.

26 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 2023

For the 12 months ended 31st March 2023, 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 2023 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:

Independent Audit Report

To the members of Platinum Blasting Services Pty Ltd and its Controlled Entity

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Platinum Blasting Services Pty Ltd and its controlled entity (the Group), which comprises the consolidated statement of financial position as at 31 March 2023, 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 2023 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards – Simplified Disclosures 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 (including Independence Standards)* (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the directors' report for the year ended 31 March 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.

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 – Simplified Disclosures 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.

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.

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.

Victor Uson
Director
Vincents Assurance & Risk Advisory

Brisbane QLD
24 April 2023