



**Pioneer
Development
Fund**

A Company duly registered under the Pooled Development Fund Act 1992

ABN 81 103 118 761

**Annual Report for the Year Ended
30 June 2021**

Contents

CORPORATE DIRECTORY	1
CHAIRMAN'S LETTER.....	2
DIRECTORS' REPORT	3
AUDITOR'S INDEPENDENCE DECLARATION.....	6
STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 30 June 2021	7
STATEMENT OF FINANCIAL POSITION AS AT 30 June 2021	8
STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 June 2021	9
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 June 2021	10
NOTES TO THE FINANCIAL STATEMENTS.....	11
DIRECTORS' DECLARATION	20
INDEPENDENT AUDITOR'S REPORT	21

CORPORATE DIRECTORY

DIRECTORS

Cameron Mclean (resigned 14 December 2020)

Lincoln Ho

Mauro Piccini

Gerard King (appointed 1 July 2021)

COMPANY SECRETARY

Mauro Piccini

REGISTERED OFFICE

Level 1, 1 Altona Street, West Perth, Western

Australia, 6005

AUDITOR

Loren Datt

Level 7, 616 St Kilda Road, St Kilda VIC 3004

SOLICITORS

Nova Legal

2/50 Kings Park Rd, West Perth WA 6005

PRINCIPAL PLACE OF BUSINESS

Level 1, 1 Altona Street, West Perth, Western

Australia, 6005

CHAIRMAN'S LETTER

Dear Shareholders

The Board of the Pioneer Development Fund (PDF) is pleased to present its latest annual report. Despite the global pandemic continuing, the Board is pleased to report successful achievements in financial performance for FY21.

The PDF saw significant gains realised in its investment value for Vulcan Resources Limited (formerly Koppar Resources Limited) and paid a special dividend of 0.5 cents to shareholders in December 2020. Further, the Board strategically invested in Emerge Internet Pty Ltd and West Cobar Metals Limited, both of whom are to IPO later in the current financial year. The Board also increased its investment in Aldoro Resources Limited, which has been delivering a strong performance so far.

The Board is optimistic that current investments in the PDF will continue to grow over the next 12 months. We look forward to the future as the PDF continues to undertake assessments of further investment opportunities.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Mauro Piccini', with a stylized, cursive script.

Mauro Piccini, Non - Executive Chairman

19 August 2021

DIRECTORS' REPORT

Your directors present their report together with the financial statements of the company for the financial year ended 30 June 2021.

Directors

- Cameron Mclean (appointed 8 February 2019, resigned 14 December 2020)
- Lincoln Ho (appointed 21 December 2017)
- Mauro Piccini (appointed 12 September 2018)
- Gerard King (appointed 1 July 2021)

Company Secretary

Mr Piccini spent 7 years at the ASX and possesses core competencies in publicly listed and unlisted company secretarial, administration and governance disciplines. Mauro is a Chartered Accountant (CA) and a member of the Governance Institute of Australia (GIA). Mauro started his career in the Perth office of Ernst and Young (EY) where he spent several years in their assurance division.

Principal Activities

The continuing activity of the entity is to invest in and support Australian companies using the taxation concessions applicable to such companies as ours registered under the *Pooled Development Funds Act 1992*. No significant change in the nature of these activities occurred during the financial year.

Dividends Paid or Recommended

Dividends of \$800,336 were paid during the year (2020: \$nil)

Review of Operations

The profit for the year was \$2,189,958 compared with a profit of \$1,345,921 in 2020 (which includes the unrealised gains from the Company's investments revaluations).

Portfolio Summary

The Company held investments in the following listed companies at year end:

Details of Investment	Value as at 30 June 2021
1,380,000 fully paid ordinary shares held in Sultan Resources Limited	\$269,100
7,935,989 fully paid ordinary shares and 1,262,197 options held in Aldoro Resources Limited	\$2,584,563
3,734,362 fully paid ordinary shares held with DC Two Limited	\$1,101,636

Events after the Reporting Period

The full impact of the COVID-19 outbreak continues to evolve at the date of this report. The Company is therefore uncertain as to the full impact that the pandemic will have on its financial condition, liquidity, and future results of operations during 2022. Management is actively monitoring the global situation and its impact on the Company's financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the 2022 financial year. Although the Company cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material adverse effect on the Company's results of future operations, financial position, and liquidity in fiscal year 2022.

On 1 July 2021, Gerard King was appointed as a director of the Company.

On 2 July 2021, 10,000,000 shares were issued to sophisticated and professional investors priced at \$0.03 which raised \$300,000. Furthermore, the Company will provide eligible shareholders with the opportunity to participate in a non-renounceable pro rata entitlement offer of one (1) new share for every four (4) shares held at an issue price of \$0.03 per

new share to raise up to \$1,275,503 (before costs). The entitlement offer information statement will be distributed in the coming weeks.

There has been no other matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company.

Future Developments, Prospects and Business Strategies

The Board is fully committed to accumulate a portfolio of valuable investee companies and plans to work closely with those future investee companies to build portfolio value for the benefit of the company's shareholders. This vision and strategy will necessarily involve the company attempting to raise capital from existing shareholders and new investors.

Environmental Issues

The company's operations are not subject to any significant environmental regulations.

Information on Directors

Cameron Mclean (appointed 8 February 2019, resigned 14 December 2020)

Chairman

Cameron Mclean has more than 20 years of experience leading and managing a range of commercial activities including co-directing London business base in the geo-technology sector, and as chief financial officer of Snowden Mining Industry Consultants, Kagara and Atrum Coal. Mr Mclean has a background in accounting and finance, with experience originating at Western Mining in Melbourne. Mr Mclean is the founder and major shareholder of the mining investment platform, Mineral Intelligence, where he has facilitated over \$100m in mining transactions over 5 years. Mr Mclean identified, secured and introduced the cobalt and vanadium projects through Ion Minerals and was its managing director.

Mauro Piccini (appointed 12 September 2018)

Non-Executive Chairman; Corporate Secretary

Mr Piccini spent 7 years at the ASX and possesses core competencies in publicly listed and unlisted company secretarial, administration and governance disciplines. Mauro is a Chartered Accountant (CA) and a member of the Governance Institute of Australia (GIA). Mauro started his career in the Perth office of Ernst and Young (EY) where he spent several years in their assurance division.

Lincoln Ho (appointed 21 December 2017)

Non-Executive Director

With a background in equities trading for over 8 years, Mr Ho has wide knowledge and experience in corporate restructure, mergers and acquisitions. Mr Ho has the ability to negotiate deals across local & overseas markets, working in conjunction with experienced corporate financiers across the emerging caps space. In particular, Mr Ho has a focus on a network of industry and finance contacts across South-East Asia.

Gerard King (appointed 1 July 2021)

Non-Executive Director, Qualifications – LLB

After graduating in law (LLB) from the University of Western Australia in 1963, Gerard commenced articles with (Sir) John Lavan (Lavan & Walsh) in Perth, being admitted as a solicitor in 1965, into the law firm partnership in 1966, and became its senior partner in 1978. Under Gerard, Lavan & Walsh eventually became Phillips Fox, Perth in 1985. He retired from the law firm in 1997.

Throughout his legal career, Gerard practised in the legal areas of commercial property, banking/finance, revenue/tax, corporate compliance, and mining law. He taught mortgage and other debt security drafting at UWA law school for 5 years, joined the Taxation Institute of Australia, and the Australian Mining and Petroleum Lawyers Association and gave papers on revenue, strata title, prospectuses, document drafting and other topics. Gerard served on the Law Society of WA Council, and its committees. He was involved in the management of his law firm from 1968 to 1991 and attended two law firm management courses at the University of New England.

Gerard has been a company director of Australasian Shopping Centres Property Trust, 1977 to 1980, Australian Mining Investments Limited, 1983 to 2002, Great Northern Minerals 1985 to 2020 as well as other public companies. He is currently Chairman of Directors of Astron Corporation Limited, since 1985.

He joined the governing council of the WA branch of the St. John Ambulance (the body responsible for entire ambulance service in WA) in 1972, was Chairman of WA St. John Ambulance Service Board 1987 to 1996, and WA State St. John Council Chairman 2002 to 2017. He also served on the Board of Kidsafe WA. He was made a Member of the Order of Australia (AM) in January 2021.

Directors' Meetings and Attendances

During the financial year, no meetings of directors was held.

Attendances by each director during the year were as follows:

	Number Eligible to Attend	Number Attended
Lincoln Ho	1	1
Cameron Mclean	1	1
Mauro Piccini	1	1
Gerald King	-	-

Note: The Board of Directors meet regularly to discuss potential investments and the overall operations and performance of the fund.

Indemnifying Officers or Auditor

No officers of the company were indemnified in 2021. The auditors are not indemnified.

Options

At the date of this report, The Company has no options over ordinary shares in the Company on issue.

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 party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

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

Non-audit Services

No non-audit services were provided by the external auditors during the year ended 30 June 2021.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2021 has been received and is attached. It is signed in accordance with a resolution of the Board of Directors.



Lincoln Ho, Non-executive Director

19 August 2021

**AUDITOR'S INDEPENDENCE DECLARATION
FOR THE YEAR ENDED 30 JUNE 2021**

As lead auditor for the audit of The Pioneer Development Fund (Aust) Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of The Pioneer Development Fund (Aust) Limited.



LOREN DATT
Registered Company Auditor
Registration: 339204

Dated: 19 August 2021

STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 30 June 2021

	NOTE	2021	2020
REVENUE			
Revenue		654,677	1,359,003
Total Revenues		654,677	1,359,003
EXPENSES			
Accounting and Audit fees	3	(9,045)	(24,355)
Financial management and company secretarial fees		(31,500)	(6,500)
Share and company registry fees		(10,841)	(7,094)
Legal and professional fees		(67,250)	(3,103)
Directors Fees		(84,000)	-
Superannuation		(8,036)	-
Insurance		(13,794)	(11,811)
Impairment of investments	11	(246,500)	(87,500)
Other expenses		(351)	(1,874)
Total Expenses		(471,317)	(142,237)
Net Operating Profit/(Loss) Before Taxes		183,360	1,216,766
Income tax expense	9	(310,930)	-
Other Income			
Interest revenue		130	1,503
Gain on financial instrument revaluation		2,317,398	127,652
Total Other Income		2,317,528	129,155
NET PROFIT AFTER TAX		2,189,958	1,345,921

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION AS AT 30 June 2021

NOTE	2021	2020	
ASSETS			
Current Assets			
Cash and cash equivalent	5	812,342	1,509,053
Financial assets at fair value through profit or loss	4	3,955,299	1,486,818
Prepayments	6	4,333	3,697
Trade and other receivables	6	3,131	12,524
Total current assets		4,775,105	3,012,092
TOTAL ASSETS		4,775,105	3,012,092
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	7,9	118,451	24,929
Total Current Liabilities		118,451	24,929
Non-Current Liabilities			
Deferred tax liabilities	9	279,869	-
Total Non-Current Liabilities		279,869	-
TOTAL LIABILITIES		398,320	24,929
NET ASSETS		4,376,785	2,987,163
EQUITY			
Issued capital	8	7,029,803	7,029,803
Reserves	10	5,000	5,000
Accumulated losses		(2,658,018)	(4,047,640)
TOTAL OWNER'S EQUITY		4,376,785	2,987,163

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 June 2021

	Year Ending	2021	2020
Cash at Beginning of Year		1,509,053	971,550
Cash at End of Year		812,342	1,509,053

	NOTE	2021	2020
Cash Flow From Operating Activities			
Cash receipts from			
Proceeds on disposal of investments		1,719,112	1,346,480
Interest received		130	1,503
Cash paid for			
Suppliers & employees		(166,123)	(47,480)
Net Cash Flow from Operating Activities	12	1,553,119	1,300,503
Cash Flow From Investing Activities			
Cash paid for			
Investments		(1,449,494)	(763,001)
Net Cash Flow from Investing Activities		(1,449,494)	(763,001)
Cash Flow From Financing Activities			
Cash paid for			
Dividends to shareholders		(800,336)	-
Net Cash Flow from Financing Activities		(800,336)	-
Net Increase/Decrease in Cash held		(696,711)	537,503
Cash at Beginning of Financial Year		1,509,053	971,550
Cash at the End of Financial Year		812,342	1,509,053

The accompanying notes form part of these financial statements

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

Note	Share Capital Ordinary	Reserves	Accumulated Losses	Total
Balance at 30 June 2020	7,029,803	5,000	(4,047,640)	2,987,163
Gain/ (Loss) for the year	-	-	2,189,958	2,189,958
Dividends paid during the year	-	-	(800,336)	(800,336)
Balance at 30 June 2021	7,029,803	5,000	(2,658,018)	4,376,785
Balance at 30 June 2019	7,029,803	5,000	(5,393,562)	1,641,241
Gain/ (Loss) for the year	-	-	1,345,921	1,345,921
Balance at 30 June 2020	7,029,803	5,000	(4,047,640)	2,987,163

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

The financial statements and notes represented those of The Pioneer Development Fund (Aust) Limited as an individual entity. The company is an unlisted public company, limited by shares, incorporated and domiciled in Australia and is a registered Pooled Development Fund under the *Pooled Development Funds Act 1992*.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The entity is a for-profit entity for the purposes of preparing the financial statements.

Australian Accounting standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2021. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the consolidated entity has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the consolidated entity may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the consolidated entity's financial statements.

a. Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non- assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

The Company is registered as a Pooled Development Fund under the Pooled Development Funds Act 1992 and is taxed at 15%.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

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

b. Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so, designated by management and within the requirements of AASB 9: *Financial Instruments*. Realised and unrealized gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortized cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortization.

Derivative instruments

The Pioneer Development Fund (Aust) Limited does not use derivative instruments.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the company assess whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

c. Impairment of Assets

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

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

d. Provisions

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

e. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of two months or less.

f. Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Proceeds from the sale of investments are recognised as revenue in the Income Statement in the year in which the sale occurs.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

g. 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

h. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

i. Share-based Payments

Equity-settled and cash-settled share-based compensation benefits are provided to Key Management Personnel and employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using an appropriate valuation model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying an appropriate valuation model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- During the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period; and
- From the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

j. **Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Estimates — Share based payments

The entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an appropriate valuation model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Key Estimates — Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Judgments — Investment Valuation

The fair value of unlisted financial assets cannot be reliably measured as variability in the range of reasonable fair value estimates is significant. As a result, all unlisted investments are reflected at cost less provision for impairment based on the Directors assessment of the future ability of those investee companies to raise further development funds and achieve commercial revenues. The Company will either realise the value of unlisted investments through seeking a trade sale or awaiting the listing of the investments.

k. **New Accounting Standards for Application in Future Periods**

Various standards and interpretations have been issued at the reporting date but are not yet effective. The Directors have performed their assessments and found that when adopted, these standards and interpretations are unlikely to materially impact on the financial information presented.

NOTE 2: KEY MANAGEMENT PERSONNEL COMPENSATION

- a. **Names and positions held of key management personnel in office at any time during the financial year are:**

Key Management Person	Position
Cameron Mclean	Non-Executive Director
Lincoln Ho	Non-Executive Director
Mauro Piccini	Non-Executive Director

b. Key Management Personnel Compensation

	2021	2020
	\$	\$
Directors' fees	84,000	-
Superannuation	8,036	-
	92,036	-

NOTE 3: AUDITORS' REMUNERATION

	2021	2020
	\$	\$
Remuneration of the auditor of the company:		
Audit or review of financial reports	6,000	5,500
Other services	-	-
	6,000	5,500

The auditor was Loren Datt.

NOTE 4: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	2021	2020
	\$	\$
Nil fully paid ordinary shares (2020: 1,508,290 shares) & nil options (2020: 395,000 options) held in Vulcan Resources Limited (i)	-	958,834
7,935,989 fully paid ordinary shares (2020: 1,842,002 shares) & 1,262,197 options (2020: nil options) held in Aldoro Resources Limited	2,584,563	141,834
1,380,000 fully paid ordinary shares held in Sultan Resources Limited (2020: 1,380,000 shares)	269,100	133,650
Convertible notes held in Hire Pay Pty Ltd (ii)	-	112,500
3,734,362 fully paid ordinary shares (2020: nil shares) and nil convertible note (2020: \$140,000 of convertible notes) held in DC Two Pty Ltd (iii)	1,101,636	140,000
	3,955,299	1,486,818

Financial assets at fair value through profit or loss are held for trading, where they are acquired for the purpose of selling in the short-term, with an intention of making a profit. Gains or losses arising from the changes in fair value are recognised in profit or loss.

- (i) The Company fully disposed of its share and option holdings in Vulcan Resources Limited during the year.
- (ii) The Company exercised its convertible note holdings in Biz Pay Pty Ltd, previously known as Hire Pay Pty Ltd, to shares. As the company is unlisted, the Company conservatively provided for the value of the investment at year end.
- (iii) The Company exercised its convertible note holdings in DC Two Pty Ltd to 1,400,000 shares and acquired a further 2,334,362 shares in DC Two Pty Ltd during the year.

NOTE 5: CASH AND CASH EQUIVALENTS

	2021	2020
	\$	\$
Cash at bank and in hand	812,342	1,509,053

The effective interest rate on short-term bank deposits was approximately 1% at 30 June 2021 (30 June 2020: 1%).

NOTE 6: PREPAYMENTS & TRADE AND OTHER RECEIVABLES

	2021	2020
	\$	\$
Prepayments	4,333	3,697
Australian Taxation Office (GST refund)	3,131	-
Accrued income	-	12,524
	7,464	16,221

NOTE 7: TRADE AND OTHER PAYABLES

	2021	2020
	\$	\$
Accrued expenses	87,390	25,000
Australian Taxation Office (GST refund)	-	(71)
Current tax payable (Note 9)	31,061	-
	118,451	24,929

NOTE 8: ISSUED CAPITAL

160,067,143* (2020: 160,067,143*) fully paid ordinary	2021	2020
	\$	\$
	7,029,803	7,029,803

* A typographical error, resulting in the number of ordinary shares being stated at 160,605,367, has been corrected this year. The correct number of ordinary shares is 160,067,143 (2020: 160,067,143).

Movements in Ordinary Share Capital

Date	Details	Share No.	Issue price	\$
30 June 2021	Balance	160,067,143*	-	7,029,803
30 June 2020	Balance	160,067,143*	-	7,029,803

Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Capital Management

Management controls the capital of the company in order to provide shareholders with adequate returns and ensure that the company can fund its operations and continue as a going concern.

The company's capital includes the use of ordinary share capital and financial liabilities, supported by financial assets. The capital structure of the company does not include the use of debt facilities.

As a registered Pooled Development Fund, the company complies with all provisions regulating the capital structure and activities as required under the *Pooled Development Fund Act 1992*.

Management manages the company's capital by assessing the company's financial risk and adjusting the capital structure in response to changes in these risks and in the market. These responses include the management of operational expenditure, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the company since the prior year. This strategy is to ensure the continued operations of the company.

NOTE 9: INCOME TAX

	2021	2020
	\$	\$
Income tax expense	-	-
Current tax	31,061	
Deferred tax	279,869	
Income Tax Expense	310,930	

Numerical reconciliation of income tax expense to prima facie tax payable

Net profit before tax	2,500,888	1,345,921
Tax at the Australian Pooled Development Fund tax rate of 15% (2020:15%)	375,133	201,888

Tax effect of:

Amounts that are not deductible in calculating taxable income	14,812	-
Timing differences previously not brought to account	(79,015)	-
Income tax expense	310,930	-

Deferred tax assets/(liabilities) are:

Investments	(285,568)	-
Accruals	1,071	-
Prepayments	(650)	-
Others	5,278	-
Total deferred tax balances	(279,869)	-

NOTE 10: RESERVES

	2021	2020
	\$	\$
Share based payments	-	-
<u>Movement reconciliation</u>		
Share-based payment reserve		
Balance at the beginning of the year	5,000	5,000
Movement in value	-	-
Balance at the end of the year	5,000	5,000

Share-based payment reserve

The share-based payment reserve is used to record the value of share-based payments provided to outside parties, and share-based remuneration provided to employees and directors.

NOTE 11: IMPAIRMENT OF ASSETS

	2021	2020
	\$	\$
Impairment of investments	(246,500)	(87,500)

The Company conservatively provides for the full value of unlisted investments. To be consistent with this policy, the Company fully provided for the value of its investments in Biz Pay Pty Ltd, formerly known as Hire Pay Pty Ltd, West Cobar Metals Pty Ltd and Emerge Pty Ltd at year end. The Company's holdings in unlisted investments are summarised in the following table. The Company held these investments at year end and will either realise their value through seeking a trade sale or awaiting the listing of the investments.

	2021
	No. Shares
Southern Forest Ciders	575,000
Southern Ocean Apiaries	280,000
BizPay Pty Ltd	1,500,000
West Cobar Metals Limited	350,000
Emerge Internet Pty Ltd	825,000

NOTE 12: CASH FLOW INFORMATION

RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH LOSS AFTER INCOME TAX

	2021	2020
	\$	\$
Profit/Loss after income tax	2,189,958	1,345,921
Non-cash flows in loss		
Gain on sale of investment	-	12,523
Revaluation of Financial Assets at fair value through profit or loss	(2,317,398)	(127,652)
Impairment of investments	246,500	87,500
Non cash accruals	-	(12,523)
Changes in assets and liabilities		
(Increase)/decrease in Trade Receivables & prepayments	(636)	(12,922)
Increase/(decrease) in Financial Assets	1,064,435	-
Increase/(decrease) in tax payable	310,930	-
Increase/(decrease) in sundry payables & accruals	59,330	7,656
	1,553,119	1,300,503

NOTE 13: FINANCIAL RISK MANAGEMENT

Financial Risk Management

The group's financial instruments consist mainly of deposits with banks, investments, accounts receivable and payable and loans to and from investees.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2021	2020
	\$	\$
Financial Assets		
Cash and cash equivalents	812,342	1,509,053
Financial assets at FVTPL	3,955,299	1,486,818
Total Financial Assets	4,767,641	2,995,871
Financial Liabilities		
Trade and other payables		
Trade Creditors and accruals	87,390	24,930
Total Financial Liabilities	87,390	24,930

Financial Risk Management Policies

The Board of Directors, amongst other issues, is responsible for monitoring and managing the financial risk exposures of the company. The Board monitors the company's financial risk management policies and exposures and approves all financial transactions. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, financial risk and interest rate risk. The Board's overall risk management strategy seeks to assist

the company in meeting its financial targets, while minimising any potential adverse effect on financial performance. This includes the review of credit risk policies and future cash flow requirements.

Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are liquidity risk, credit risk and price risk.

Liquidity risk

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

Price risk

The company is not directly exposed to any material market or commodity price risk.

Net Fair Values

The fair value of unlisted financial assets cannot be reliably measured as variability in the range of reasonable fair value estimates is significant. As a result, all unlisted investments are reflected at cost less impairment.

NOTE 14: RELATED PARTY TRANSACTIONS

In 2020, the Company made a \$140,000 convertible note investment in DC Two Pty Ltd, a company in which Cameron Mclean is a director. During this financial year, DC Two become a listed company (DC Two Ltd) and the convertible note was exercised to acquire 1,400,000 fully paid ordinary shares. A further investment of \$466,872 to acquire 2,334,360 shares in DC Two Ltd was also made.

NOTE 15: EVENTS AFTER THE REPORTING PERIOD

The full impact of the COVID-19 outbreak continues to evolve at the date of this report. The Company is therefore uncertain as to the full impact that the pandemic will have on its financial condition, liquidity, and future results of operations during 2021. Management is actively monitoring the global situation and its impact on the Company's financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the 2021 financial year. Although the Company cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material adverse effect on the Company's results of future operations, financial position, and liquidity in fiscal year 2021.

On 1 July 2021, Gerard King was appointed as a non-executive director of the Company.

On 2 July 2021, 10,000,000 shares were issued to sophisticated and professional investors priced at \$0.03 which raised \$300,000. Furthermore, the Company will provide eligible shareholders with the opportunity to participate in a non-renounceable pro rata entitlement offer of one (1) new share for every four (4) shares held at an issue price of \$0.03 per new share to raise up to \$1,275,503 (before costs). The entitlement offer information statement will be distributed in the coming weeks.

There has been no other matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company.

NOTE 16: CAPITAL AND LEASING

There are no capital or leasing commitments requiring disclosure in the financial report.

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, comprising Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements, are in accordance with the *Corporations Act 2001* and:
 - A. comply with Accounting Standards and the *Corporations Regulations 2001*; and
 - B. gives a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the Company;
2. In the directors' opinion 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 Board of Directors.



Lincoln Ho

19 August 2021

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
THE PIONEER DEVELOPMENT FUND (AUST) LTD**

Opinion

We have audited the financial report of The Pioneer Development Fund (Aust) Ltd (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the accompanying financial report of The Pioneer Development Fund (Aust) Ltd, is in all material aspects, in accordance with *Corporations Act 2001*, including:

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other responsibilities in accordance with Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to those charge with governance of the company, would be in the same terms if given to those charge with governance at the time of this audit report.

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

Emphasis of Matter - Effects of COVID-19

We draw attention to Note 15 Events After the Reporting Period to the financial statements, which describes the uncertainties and possible effects on the entity arising from its management of the on-going issues related to COVID. Our opinion is not modified in respect of this matter.

Responsibilities of those Charged with Governance for the Financial Report

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

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, 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 Company'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 those charged with governance'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 Company'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 report 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.



LOREN MICHELLE DATT
Registered Company Auditor
Registration: 339204

Dated: 19 August 2021