



Pioneer  
Development  
Fund

A Company duly registered under the Pooled Development Fund Act 1992

THE PIONEER DEVELOPMENT FUND (AUST) LIMITED

ABN 81 103 118 761

**Annual Report for the Year  
Ended 30 June 2022**

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# CORPORATE DIRECTORY

## DIRECTORS

Lincoln Ho  
Mauro Piccini  
Gerard King (appointed 21 July 2021)

## COMPANY SECRETARY

Mauro Piccini

## REGISTERED OFFICE

Level 2, 23 Railway Road, Subiaco, WA, 6008

## AUDITOR

RSM Australia Partners  
Level 32 Exchange Tower, 2 The Esplanade, Perth WA 6000

## SOLICITORS

Nova Legal  
2/50 Kings Park Rd, West Perth WA 6005

## PRINCIPAL PLACE OF BUSINESS

Level 2, 23 Railway Road, Subiaco, WA, 6008

## CHAIRMAN'S LETTER


Dear Shareholders

The Board of the Pioneer Development Fund (PDF) is pleased to present its 2021/2022 annual report. The 2021/2022 was another extraordinary financial year as the world continues to deal with the challenges caused by the Covid-19 pandemic and Russia's invasion of Ukraine. The Covid-19 pandemic and invasion of Ukraine have profoundly changed the global economic and financial market backdrop. Uncertainty around the outlook for a sustained and broad-based recovery from the Covid-19 pandemic has grown, and inflationary pressures have risen. The Russian invasion of Ukraine triggered price fluctuations in global financial markets, resulting in bouts of high market volatility and large commodity price swings.

Despite this, the PDF Board is pleased to report successful achievements in financial performance for FY22 through its investments in West Cobar Metals Limited and Aldoro Resources Limited, which have both been delivering a strong performance thus 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', written in a cursive style.

Mauro Piccini, Non - Executive Chairman

28 November 2022

## DIRECTORS' REPORT

The directors present their report, together with the financial statements, The Pioneer Development Fund (Aust) Limited (referred to hereafter as the 'Company') at the end of, or during, the year ended 30 June 2022.

### Directors

The following persons were directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Lincoln Ho
- Mauro Piccini
- Gerard King (appointed 21 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 Company 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

No dividends were paid or recommended during the financial year (2021: \$800,336).

### Review of Operations

The loss for the year was \$3,512,014 (2021: profit of \$2,189,958) which includes the unrealised gains/ (losses) 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 2022
7,435,989 fully paid ordinary shares and 1,262,197 options held in Aldoro Resources Limited	\$967,365
2,025,000 fully paid ordinary shares held in Western Yilgarn NL	\$222,750
5,396,027 fully paid ordinary shares and 583,333 options held in DC Two Limited	\$255,363
3,100,000 fully paid ordinary shares held in West Cobar Metals Ltd	\$325,500
2,500,000 fully paid ordinary shares held in Mt Malcom Mines NL	\$142,500
3,500,000 fully paid ordinary shares held in Aurum Resources Ltd	\$437,500

## **DIRECTORS' REPORT (continued)**

### Events after the Reporting Period

There has been no 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.

### Likely Developments and Expected Results of Operations

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.

### Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Company during the financial year.

### Information on Directors

#### Mauro Piccini

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

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 21 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' REPORT

### Directors' Meetings and Attendances

During the year, no meetings of directors was held.

### Indemnifying Officers or Auditor

No officers of the Company were indemnified for the financial year ended 30 June 2022. 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 nor any shares issued on the exercise of options.

### 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.

### Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2022 as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

### Auditor

RSM Australia Partners was appointed on 28 September 2022 in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Lincoln Ho, Non-executive Director

Perth, 28 November 2022



**RSM Australia Partners**

Level 32, Exchange Tower  
2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100  
F +61 (0) 8 9261 9111

[www.rsm.com.au](http://www.rsm.com.au)

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of The Pioneer Development Fund (Aust) Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

TUTU PHONG  
Partner

Perth, WA  
Dated: 28 November 2022

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation



**STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2022	2021
<b>REVENUE</b>			
Revenue		54,834	654,677
<b>Total revenue</b>		<b>54,834</b>	<b>654,677</b>
Other income/ (expenses)			
Interest revenue		227	130
(Loss)/ gain on financial instrument revaluation		(3,492,785)	2,070,898
<b>Total other (expenses)/ income</b>		<b>(3,492,558)</b>	<b>2,071,028</b>
<b>EXPENSES</b>			
Accounting and audit fees		(45,112)	(9,045)
Financial management and company secretarial fees		-	(31,500)
Share and company registry fees		(11,113)	(10,841)
Legal and professional fees		(215,618)	(67,250)
Directors fees		(72,000)	(84,000)
Superannuation		(7,240)	(8,036)
Insurance		(10,660)	(13,794)
Other expenses		(2,118)	(351)
<b>Total expenses</b>		<b>(363,861)</b>	<b>(224,817)</b>
(Loss)/ profit before taxes		(3,801,585)	2,500,888
Income tax credit/ (expense)	10	289,571	(310,930)
<b>OTHER COMPREHENSIVE INCOME</b>			
Other comprehensive income for the year		-	-
<b>Total other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>NET (LOSS)/ PROFIT AFTER TAX</b>		<b>(3,512,014)</b>	<b>2,189,958</b>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022**

	NOTE	2022	2021
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	105,009	812,342
Financial assets at fair value through profit or loss	5	2,340,853	3,955,299
Prepayments	7	9,333	4,333
Trade and other receivables	7	12,736	3,131
<b>Total current assets</b>		<b>2,467,931</b>	<b>4,775,105</b>
<b>TOTAL ASSETS</b>		<b>2,467,931</b>	<b>4,775,105</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Trade and other payables	8	125,103	87,390
Income tax liability		2,548	31,061
<b>Total current liabilities</b>		<b>127,651</b>	<b>118,451</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	10	-	279,869
<b>Total non-current liabilities</b>		<b>-</b>	<b>279,869</b>
<b>TOTAL LIABILITIES</b>		<b>127,651</b>	<b>398,320</b>
<b>NET ASSETS</b>		<b>2,340,280</b>	<b>4,376,785</b>
<b>EQUITY</b>			
Issued capital	9	8,505,312	7,029,803
Reserves	11	5,000	5,000
Accumulated losses		(6,170,032)	(2,658,018)
<b>TOTAL OWNER'S EQUITY</b>		<b>2,340,280</b>	<b>4,376,785</b>

The above statement of financial position should be read in conjunction with the accompanying notes.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	Share Capital Ordinary	Reserves	Accumulated Losses	Total
Balance at 30 June 2021		<b>7,029,803</b>	<b>5,000</b>	<b>(2,658,018)</b>	<b>4,376,785</b>
Total comprehensive loss for the year		-	-	<b>(3,512,014)</b>	<b>(3,512,014)</b>
Shares issued		<b>1,570,489</b>	-	-	<b>1,570,489</b>
Capital raising costs		<b>(94,980)</b>	-	-	<b>(94,980)</b>
<b>Balance at 30 June 2022</b>		<b>8,505,312</b>	<b>5,000</b>	<b>(6,170,032)</b>	<b>2,340,280</b>
Balance at 30 June 2020		7,029,803	5,000	(4,047,640)	2,987,163
Total comprehensive income 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

The above statement of changes in equity should be read in conjunction with the accompanying notes

**STATEMENT OF CASH FLOWS  
FOR YEAR ENDED 30 JUNE 2022**

<b>Year Ending</b>	<b>2022</b>	<b>2021</b>
Cash at Beginning of Year	<b>812,342</b>	1,509,053
Cash at End of Year	<b>105,009</b>	812,342

<b>NOTE</b>	<b>2022</b>	<b>2021</b>
<b>Cash Flow From Operating Activities</b>		
Cash receipts from		
Disposal of investments	1,081,495	1,953,088
Interest received	227	130
Cash paid for		
Suppliers & employees (inclusive of GST)	(340,753)	(400,099)
Acquisition of investments	(2,905,000)	(1,449,494)
Income taxes	(18,811)	-
<b>Net Cash Flow (Used In)/ Generated From Operating Activities</b>	<b>(2,182,842)</b>	103,625
<b>Cash Flow From Financing Activities</b>		
Proceeds from issuance of shares		
	1,570,489	-
Share issuance costs paid		
	(94,980)	-
Dividends paid to shareholders		
	-	(800,336)
<b>Net Cash Flow Generated From/ (Used In) Financing Activities</b>	<b>1,475,509</b>	(800,336)
Net Decrease in Cash and Cash Equivalents		
	(707,333)	(696,711)
Cash and Cash Equivalents at Beginning of Financial Year		
	812,342	1,509,053
<b>Cash and Cash Equivalents at the End of Financial Year</b>		
	<b>105,009</b>	812,342

The above statement of cash flows should be read in conjunction with the accompanying notes

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### *New or amended Accounting Standards and Interpretations adopted*

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 for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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:

#### *Conceptual Framework for Financial Reporting (Conceptual Framework)*

The Company has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Company's financial statements.

#### *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*

The Company 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. Basis of Preparation**

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities.

#### *Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

#### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

#### **b. Foreign Currency Translation**

The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

#### *Foreign currency transactions*

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### c. Interest Income

##### *Interest income*

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### d. Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

#### e. Current and Non-Current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

#### f. Investments and Other Financial Assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### f. Investments and Other Financial Assets (continued)

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

#### Financial assets at fair value through profit and loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

#### g. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand and cash at bank that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### h. Other Receivables

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

#### i. Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

#### j. Issued Capital

Ordinary shares are classified as equity.

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

#### k. Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

#### l. Goods and Services Tax ('GST')

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### m. Employee Benefits

##### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

##### *Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

##### *Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

### NOTE 2: Critical Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### *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 \$Nil fair values based on directors' assessment of the future ability of those investees 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.

##### *Recovery of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

### NOTE 3: KEY MANAGEMENT PERSONNEL COMPENSATION

	2022	2021
	\$	\$
Directors' fees	72,000	84,000
Superannuation	7,240	8,036
	<b>79,240</b>	<b>92,036</b>



## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 4: REMUNERATION OF AUDITORS

	2022	2021
	\$	\$
Remuneration of the auditor of the Company:		
Audit of financial reports	7,500	6,000

### NOTE 5: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022	2021
	\$	\$
7,435,989 fully paid ordinary shares (2021: 7,935,989 shares) and 1,262,197 options (2021: 1,262,197 options) held in Aldoro Resources Limited	967,365	2,584,563
Nil fully paid ordinary shares held in Sultan Resources Limited (2021: 1,380,000 shares)	-	269,100
2,025,000 fully paid ordinary shares held in Western Yilgarin NL (2021: nil shares)	212,625	-
5,396,027 fully paid ordinary shares (2021: 3,734,362 shares) and 583,333 options (2021: nil options) held in DC Two Pty Ltd	255,363	1,101,636
3,100,000 fully paid ordinary shares (2021: 350,000 shares) held in West Cobar Metals Ltd	325,500	35,000
Less: Impairment	-	(35,000)
2,500,000 fully paid ordinary shares (2021: nil shares) held in Mt Malcom Mines NL	142,500	-
3,500,000 fully paid ordinary shares (2021: nil shares) held in Aurum Resources Ltd	437,500	-
Nil fully paid ordinary shares (2021: 825,000) held in Emerge Internet Pty Ltd	-	99,000
	-	(99,000)
575,000 fully paid ordinary shares (2021: 575,000 shares) held in Southern Forest Ciders Pty Ltd	115,000	115,000
Less: Impairment	(115,000)	(115,000)
280,000 fully paid ordinary shares (2021: 280,000 shares) held in Southern Ocean Apiaries Pty Ltd	350,000	350,000
Less: Impairment	(350,000)	(350,000)
1,875,000 fully paid ordinary shares (2021: 1,875,000 shares) held in BizPay Pty Ltd	150,000	150,000
Less: Impairment	(150,000)	(150,000)
	<b>2,340,853</b>	<b>3,955,299</b>

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.

### NOTE 6: CASH AND CASH EQUIVALENTS

	2022	2021
	\$	\$
Cash at bank	105,009	812,342

### NOTE 7: PREPAYMENTS & TRADE AND OTHER RECEIVABLES

	2022	2021
	\$	\$
Prepayments	9,333	4,333
GST receivable	12,736	3,131
	<b>22,069</b>	<b>7,464</b>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 8: TRADE AND OTHER PAYABLES

	2022	2021
	\$	\$
Accrued expenses	20,548	87,390
Trade creditors	104,555	-
	<b>125,103</b>	87,390

### NOTE 9: ISSUED CAPITAL

	2022	2021
	\$	\$
212,583,926 (2021: 160,067,143) fully paid ordinary	<b>8,505,312</b>	7,029,803

#### *Movements in Ordinary Share Capital*

Date	Details	Share No.	Issue price	\$
<b>30 June 2020</b>	Balance	160,067,143*	-	7,029,803
<b>30 June 2021</b>	Balance	160,067,143	-	7,029,803
	Placement	52,516,783	0.03	1,570,489
	Less: share issuance costs	-	-	(94,980)
<b>30 June 2022</b>	Balance	<b>212,583,926</b>	-	<b>8,505,312</b>

\* A typographical error, resulting in the number of ordinary shares being stated at 160,605,367, has been corrected in 2021. The correct number of ordinary shares is 160,067,143.

#### *Ordinary Shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have 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.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 10: INCOME TAX

	2022	2021
	\$	\$
<b>Income tax expense</b>		
Current tax	-	31,061
Deferred tax	(627,487)	279,869
Overprovision	(12,250)	-
<b>Income tax (credit)/ expense</b>	<b>(639,737)</b>	<b>310,930</b>

#### Numerical reconciliation of income tax expense to prima facie tax payable

Net (loss)/ profit before tax	(3,801,584)	2,500,888
Tax at the Australian Pooled Development Fund tax rate of 15% (2021:15%)	(570,238)	375,133

#### Tax effect of:

Amounts that are not deductible in calculating taxable income	5,096	14,812
Timing differences previously not brought to account	(64,893)	(79,015)
Overprovision	(12,250)	-
<b>Income tax (credit)/ expense</b>	<b>(642,285)</b>	<b>310,930</b>

	2022	2021
	\$	\$
<b>Deferred tax assets/(liabilities) are:</b>		
Investments	342,452	(285,568)
Accruals	2,813	1,071
Prepayments	(1,400)	(650)
Others	8,849	5,278
Deferred tax assets not recognised	(352,714)	-
<b>Total deferred tax balances</b>	<b>-</b>	<b>(279,869)</b>

### NOTE 11: RESERVES

	2022	2021
	\$	\$
Share-based payment reserve at the beginning and 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 12: (LOSS)/ GAIN ON FINANCIAL INSTRUMENT REVALUATION

	2022	2021
	\$	\$
(Loss)/ gain on financial instrument revaluation	(3,591,785)	2,317,398
Reversal/ (charge) on impairment of investments in unlisted entities	99,000	(246,500)
	<b>(3,492,785)</b>	<b>2,070,898</b>

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 the Company's holdings in unlisted investments which 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.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 13: CASH FLOW INFORMATION

#### RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH (LOSS)/ PROFIT AFTER INCOME TAX

	2022	2021
	\$	\$
(Loss)/ profit before income tax	(3,801,585)	2,500,888
Adjustments:		
Gain on disposal of investments	(54,834)	(1,719,112)
Loss on fair value of financial asset carried at fair value at profit or loss	3,492,785	2,317,398
Interest income	(227)	(130)
Changes in assets and liabilities:		
(Increase)/ decrease in trade and other receivables and prepayments	(14,605)	8,757
Increase in financial assets measured at fair values through profit or loss	(1,823,505)	(3,066,767)
Increase in sundry payables and accruals	37,713	62,461
Less: Income tax paid	(18,811)	-
Add: Interest received	227	130
	(2,182,842)	103,625

### NOTE 14: FINANCIAL RISK MANAGEMENT

#### Financial Risk Management

The Company's financial instruments consist mainly of cash at banks, investments, accounts receivables and accounts payables.

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:

	2022	2021
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	105,009	812,342
Financial assets at fair value through profit or loss	2,340,853	3,955,299
<b>Total Financial Assets</b>	<b>2,445,862</b>	<b>4,767,641</b>
<b>Financial Liabilities</b>		
Trade and other payables	125,103	87,390
<b>Total Financial Liabilities</b>	<b>125,103</b>	<b>87,390</b>

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 14: FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 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.

### NOTE 15: RELATED PARTY TRANSACTIONS

#### Transactions with related parties

The Company has investments in ordinary shares and options in Aldoro Resources Limited and Aurum Resources Ltd of which these entities are considered as related parties due to common key management personnel.

### NOTE 16: DIVIDENDS

Dividends paid during the financial year were as follows:

	2022	2021
	\$	\$
Final dividend	-	800,336

### NOTE 17: EVENTS AFTER THE REPORTING PERIOD

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 18: COMMITMENTS

There are commitments requiring disclosure in the financial report for the financial year ended 30 June 2022 and 2021.

### NOTE 19: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities and contingent assets for the financial year ended 30 June 2022 and 2021.

## DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to be 'Lincoln Ho', written in a cursive style.

Lincoln Ho

Perth 28 November 2022



**RSM Australia Partners**

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +61(0) 8 92619100

F +61(0) 8 92619111

[www.rsm.com.au](http://www.rsm.com.au)

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF THE PIONEER DEVELOPMENT FUND (AUST) LIMITED**

**Qualified Opinion**

We have audited the financial report of The Pioneer Development Fund (Aust) Limited (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2022 and its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – *Simplified Disclosures* under AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Corporations Regulations 2001*.

**Basis for Qualified Opinion**

The Company's accounting policy for financial assets are subsequently measured at fair value through profit or loss. As disclosed in Note 5, the Company has investments in unlisted equity instruments with a cost of \$615,000 (2021: \$749,000) during the year, which had been fully impaired as at 30 June 2022 and 30 June 2021 respectively, due to the unavailability of information to measure the fair value of these unlisted investments. We were unable to satisfy ourselves by alternative means concerning the fair value of these unlisted investments. Consequently, we were unable to determine whether adjustments might have been necessary in respect of the fair value of these unlisted investments for the year reported in the statement of profit or loss and other comprehensive income and the fair value of these unlisted instruments on the statement of financial position.

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

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

**THE POWER OF BEING UNDERSTOOD  
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### **Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2022 but does not include the financial report and the 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 the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – *Simplified Disclosures* under AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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.

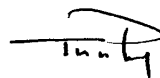
### **Auditor's Responsibilities for the Audit of the Financial Report**

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <https://www.auasb.gov.au/auditors-responsibilities/ar4.pdf>. This description forms part of our auditor's report.



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 28 November 2022