

CENTRALIST PTY LTD

ABN 41 618 766 715

Interim Financial Report

For the Half Year ended 31 December 2020

Contents

Directors' Report	3
Directors' Declaration.....	6
Auditor's Independence Declaration	7
Statement of Profit or Loss and Other Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity.....	10
Statement of Cash Flows.....	11
Notes to and forming part of the Interim Financial Report.....	12
Independent Auditor's Review Report.....	17

DIRECTORS' REPORT

The Directors' present their report together with the financial statements of Centralist Pty Ltd and its controlled entities ("the Company", "Centralist", "consolidated entity" or "the Group") for the half year ended 31 December 2020.

All amounts are presented to Australian Dollars (AU\$), unless noted otherwise.

Directors

The names and the particulars of the Directors who held office during and up to the date of this report are disclosed below.

Name	Appointment	Resignation
Mr Luke Martino	Appointed on 26 February 2018	-
Mr Steven Dellidis	Appointed on 24 January 2020	-
Mr Nicholas Sage	Appointed on 21 June 2019	Resigned on 3 March 2021

Principal activities

During the half year the principal activity of the Group was mineralisation exploration in the Republic of Serbia.

Significant changes in the state of affairs

In the Opinion of the Directors, there were no significant changes in the state of affairs of the Group which have not been disclosed elsewhere in this report.

Review of Operations and Financial Results

European Green Metals Portfolio - Serbia

Rekovac Project

Lithium & Borate (100%)

The Rekovac Project is located in central Serbia and lies approximately 110km south southeast of Belgrade, Serbia's capital. The Rekovac Project covers Neogene age basins containing lithified lacustrine beds mapped as early and middle Miocene. The Initial drilling program confirmed exceptional section of lake beds contains high concentrations of boron and elevated lithium.

Following completion of its maiden drilling program, the Group undertook data reviews and target re-interpretations across all projects with the view of commencing with field campaigns in 2021. However as announced by the Company's shareholder, Jadar Resources Limited (ASX: JDR) on 24 February 2021, Jadar Resources Limited has made the decision to spin out its Serbian lithium and borate assets (comprising of its Rekovac Lithium and Borate Project and pending applications for new exploration permits in Serbia) into a newly incorporated subsidiary, Balkan Mining and Minerals Limited ("Balkan") (proposed ASX code BMM) subject to shareholder approval in accordance with ASX Listing Rule 11.4.1(b). It is intended that Balkan will undertake a \$6.5 million IPO and seek a listing on the official list of the Australian Securities Exchange ("ASX"). Under the proposed transaction, Jadar will retain an interest of approximately 22% in Balkan post IPO, allowing Jadar and its shareholders to maintain exposure to the Serbian lithium and borate assets via the Company's equity interest in Balkan.

Additionally, the Company received a three year extension of its Rekovac exploration license and has made further submissions for additional exploration license in Serbia which the company anticipates will be granted during the first quarter of 2021.

The Group made a loss for the six months ended 31 December 2020 of \$103,767 (2019 half year loss of \$72,507).

During the time of COVID-19 pandemic, the Group had implemented cost savings and asset preservation initiatives and cancelled all business travels, however the Group has continued to review the project data and economic data under work-from-home protocols. The Group is advancing with its projects where travel restrictions are relieved.

Significant Events After the Balance Date

Subsequent to period end the following key events have occurred:

- (a) In January 2021, the Group received a three (3) year extension of its Rekovac exploration licenses.
- (b) On 24 February 2021, the Company's sole shareholder, Jadar Resources Limited (ASX: JDR) announced its intentions to spin out its Serbian lithium and borate assets (comprising of its Rekovac Project and pending applications for new exploration permits in Serbia) into a new incorporated subsidiary called Balkan Mining and Minerals Limited ("Balkan") subject to shareholder approval. It is intended that Balkan will undertake an Initial Public Offering ("IPO") to facilitate an admission to the official list of the ASX and see Balkan raise \$6.5 million of new equity. Under the proposed transaction, Jadar will retain approximately 22% of the equity in Balkan and retain exposure to Serbia assets via equity interest.

Sandfire has conditionally agreed to participate in the proposed IPO with a strategic investment of \$2M amounting to an approximate 22% equity in Balkan on the key terms and conditions set out in the Company's announcement dated 24 February 2021. As part of Sandfire's investment, Sandfire has also agreed to collaborate with Balkan.

The proposed transaction will create a new listed company with a sole focus on exploration and development of mineral projects in the Balkans, assisted by a dedicated board and management team with the ability to give direct focus to the Serbian lithium and borate assets and allocate the necessary resources required to generate immediate value.

- (c) In March 2021, the Group secured four new exploration licences in Serbia covering an area of 261 km².

The Ursule and Siokovac exploration licences are adjacent to the Group's existing Rekovac licence where the Group's maiden drilling program identified the presence of preserved Borate and Lithium mineralisation.

The Ursule licence covers the central part of the Great Rekovac Basin (Rekovac Block) over an area of 99 km² and is located approximately 110 km south-southeast of Belgrade. Most of the central portions of the basin were mapped as middle Miocene age sediments. The target boratiferous lower Miocene sediments (Dragovo Formation), outcropping in the southwestern portion of the licence area close to their contacts with basement formations. These permissive sediments are anticipated to extend to the north-north-east where it is covered and preserved by younger sediment cover. NE-SW trending faults are thought to be major structural controls on basement fracturing and basin development and may also serve as zones of migration for mineral-bearing fluids. The Siokovac licences cover the northern part of the Great Rekovac Basin (Rekovac Block) and the licence area is approximately 98 km². The central and northern part of the licenced area is covered by a younger quaternary lake and alluvial formation which overlies middle Miocene marine sediments. The target lower Miocene lacustrine sediments (Dragovo Formation) paraconformably lay under marine sediments.

The Dobrinja and Pranjani licence areas (Čačak Block) are located in western Serbia approximately 90 km south-southwest of Belgrade (Figure 3). The Project area is covered by two exploration licences covering approximately 64 km² (Dobrinja 38 km², Pranjani 26 km²) of outcropping Neogene age basins containing lithified lacustrine sediments mapped as early, middle and upper Miocene.

Earlier studies carried out by the Yugoslavian Geological Survey identified favourable lacustrine strata for hosting lithium and boron within the licenced areas, which was followed up by Jadar's desktop studies that identified the basin's potential. The Dobrinja Basin is located in the southeast of the Kosjeric Basin and southwest of the Pranjani Basin. Available literature describes that the Dobrinja and Pranjani Basins are relicts of one much larger basin, which has eroded over time, leaving behind two smaller separated basins. The Dobrinja Basin is elongated in a northeast-southwest direction and filled by Neogene lacustrine sediments. The target lower Miocene sediments are exposed within western and eastern basin margins close to the contact with Basement formations. The target lower Miocene sediments lay below younger middle and upper Miocene sediments. The margins of the basin are either peridotites - serpentinite and diabase

Directors' Report

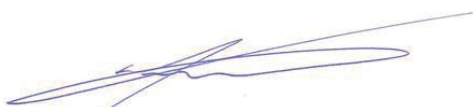
formation to the north, east and southeast and cretaceous limestone, paleozoic schist and triassic limestone to the west, southwest and south. The targeted lower Miocene continental-lacustrine sediments are characterised by marlstone, claystone, ash-flow tuffs and spring aprons travertines.

The Pranjani Basin lies immediately northeast of the Dobrinja Basin and extends over an area of approximately 40 km². The lake structural basin is filled by Neogene aged continental - lacustrine sediments mapped as middle Miocene. These sediments are composed mainly of marls, claystones, siltstones, ash-flow tuffs and clastics flows close to the basin margins. The geologic map indicates spread magnesite occurrences within the Pranjani Basin. These magnesite occurrences appear to be a good indicator that suggests a component of spring-sourced waters was supplied to the lake during sediment deposition. Hydrothermal magnesites are found in many other basins associated with lithium-boron enriched fluids and their precipitates.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 7 for the half-year ended 31 December 2020.

This report is signed in accordance with a resolution of the Board of Directors.



Luke Martino

Director

Dated this day of 6 May 2021

Directors' Declaration

In accordance with a resolution of the directors of Centralist Pty Ltd, I state that:

In the opinion of the directors:

1. The financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the economic entity's financial position as at 31 December 2020 and the performance for the half-year ended on that date.
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



Luke Martino

Director

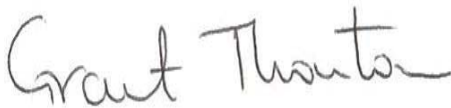
Dated this 6 May 2021

Auditor's Independence Declaration

To the Directors of Centralist Pty Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Centralist Pty Ltd for the half-year ended 31 December 2020, 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 review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M D Dewhurst
Partner – Audit & Assurance

Perth, 6 May 2021

Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2020

	Note	31 December 2020 \$	31 December 2019 \$
Government grants		928	-
Depreciation		(791)	-
Other expenses		(33,944)	(14,793)
Interest expense		(56,096)	(38,972)
Professional fees		(13,864)	(18,742)
Loss before income tax		(103,767)	(72,507)
Income tax expense		-	-
Loss after tax		(103,767)	(72,507)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of foreign operations		4,676	1,202
Other comprehensive loss for the period, net of tax		4,676	1,202
Total comprehensive loss for the period		(99,091)	(71,305)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to and forming part of the consolidated interim financial report.

Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2020

	Note	31 December 2020 \$	30 June 2020 \$
Current Assets			
Cash and cash equivalents		4,028	39,979
Trade and other receivables		592	2,879
Other current assets		118	3,475
Total Current Assets		4,738	46,333
Non-Current Assets			
Plant and equipment		1,072	1,881
Exploration asset	2	509,138	505,494
Total Non-Current Assets		510,210	507,375
Total Assets		514,948	553,708
Current Liabilities			
Trade and other payables		1,194	45,449
Borrowings	3	755,834	518,556
Total Current Liabilities		757,028	564,005
Non-Current Liabilities			
Borrowings	3	518,575	660,681
Total Non-Current Liabilities		518,575	660,681
Total Liabilities		1,275,603	1,224,686
Net Liabilities		(760,655)	(670,978)
Equity			
Issued capital	4	100,010	100,010
Reserves	5	331,013	316,923
Accumulated losses		(1,191,678)	(1,087,911)
Total Equity		(760,655)	(670,978)

The consolidated statement of financial position is to be read in conjunction with the notes to and forming part of the consolidated interim financial report.

Statement of Changes in Equity

For the Half-Year Ended 31 December 2020

		Issued capital	Capital contribution Reserve	Foreign Currency Reserve	Accumulated Losses	Total
	Note	\$	\$	\$	\$	\$
Balance at 1 July 2019		100,010	224,073	(10,582)	(406,302)	(92,801)
Loss for the period		-		-	(72,507)	(72,507)
Other comprehensive income		-		1,202	-	1,202
Fair value adjustment on shareholder loans			33,464			33,464
Balance at 31 December 2019		100,010	257,537	(9,380)	(478,809)	(130,642)
Balance at 1 July 2020		100,010	330,623	(13,700)	(1,087,911)	(670,978)
Loss for the period		-		-	(103,767)	(103,767)
Other comprehensive income		-		4,676	-	4,676
Fair value adjustment on shareholder loans		-	9,414	-	-	9,414
Balance at 31 December 2020		100,010	340,037	(9,024)	(1,191,678)	(760,655)

The consolidated statement of changes in equity is to be read in conjunction with the notes to and forming part of the consolidated interim financial report.

Statement of Cash Flows

For the Half-Year Ended 31 December 2020

	31 December 2020	31 December 2019
	\$	\$
Cash Flow from Operating Activities		
Payments to suppliers	(24,521)	(18,211)
Interest received	-	474
Government grant and tax incentives	928	-
Net cash flows used in operating activities	(23,593)	(17,737)
Cash Flow from Investing Activities		
Payment for exploration and evaluation	(40,203)	(136,256)
Net cash flows used in investing activities	(40,203)	(136,256)
Cash Flow from Financing Activities		
Proceeds from borrowings	48,491	150,104
Net cash flows provided by financing activities	48,491	150,104
Net decrease in cash and cash equivalents	(15,305)	(3,889)
Foreign exchange	(20,646)	(8,122)
Cash and cash equivalents at the beginning of the period	39,979	25,320
Cash and cash equivalents at the end of the period	4,028	13,309

The consolidated statement of cash flows is to be read in conjunction with the notes to and forming part of the consolidated interim financial report.

Notes to and Forming Part of the Accounts

For the Half-Year Ended 31 December 2020

1. Statement of Significant Accounting Policies

(a) Reporting Entity

Centralist Pty Ltd (the “Company”) is a company domiciled in Australia. The consolidated interim financial statement of the Company as at and for the six months ended 31 December 2020 comprises the Company and its controlled entities (together referred to as the consolidated entity).

This interim financial report was issued on 6 May 2021 by the directors of the Company.

(b) Statement of Compliance

The half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (‘AASB’). Compliance with AASB 134 ensures compliance with IAS 34 ‘Interim Financial Reporting’.

These half-year financial statements do not include full disclosures of the type normally included in an annual financial report. Therefore, they cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that these financial statements be read in conjunction with the annual financial report for the year ended 30 June 2020 and any public announcements made by Jadar Resources Limited (the Company’s sole shareholder) during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

(c) Basis of Preparation

The half-year report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted. The financial statements have been prepared on a going concern basis.

The Accounting policies adopted in the preparation of this half-year financial report are consistent with those followed in preparation of the Group’s annual consolidated financial statements for the year ended 30 June 2020.

Estimates and Judgements

When preparing the Interim Financial Statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the Interim Financial Statements, including the key sources of estimation uncertainty, were the same as those applied in the Group’s last annual financial statements for the year ended 30 June 2020.

New, revised or amending Accounting Standards and Interpretations adopted

There were no new, revised or amended accounting standards adopted in the period.

Notes to and Forming Part of the Accounts

For the Half-Year Ended 31 December 2020

Going concern basis of preparation

The financial statements have been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. Whilst acknowledging the inherent uncertainties of progressing to profitable mining operations and managing working capital requirements, the Directors consider this to be appropriate.

For the half-year ended 31 December 2020 the Group recorded a loss of \$103,767 (31 December 2019: \$72,507 loss) and had net cash outflows from operating and exploration activities of \$63,796 (31 December 2019: \$153,993).

As a 100% subsidiary of Jadar Resources Limited (ASX: JDR) (“Jadar”), the Group’s operations have been predominantly financed through borrowings from Jadar, which if excluded from the Company’s working capital calculations, would result in an adjusted working capital surplus of \$3,545 at 31 December 2020 (30 June 2020: \$44,452).

The Directors are mindful of the Company’s working capital requirements and cognisant of its developed capital management program that will provide funding to maximize the potential of its current asset and provide a strong base for increasing shareholder value. To date, the Group has been financed through borrowings from its 100% parent company Jadar Resources Limited. Based on forecasts, the completion of Balkan Mining and Minerals Limited capital raising of \$6.5 million and listing on the ASX and/or Jadar Resource Limited’s continued financial support should Balkan Mining and Minerals not be successful with its capital raising and ASX listing, the directors consider the basis of going concern to be appropriate. The ability of the consolidated entity to continue as a going concern is also dependent upon the successful exploitation of its mineral tenements and progression of its exploration activities into a successful production stage.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

2. Exploration Asset

	Consolidated entity	
	31 December 2020	30 June 2020
	\$	\$
Opening balance	505,494	614,168
Exploration capitalised	3,644	421,720
Exploration write off ¹	-	(530,394)
Closing balance	509,138	505,494

1. As a result of rigorous project prioritisation, during the financial year ended 30 June 2020, the Company decided to focus its Serbian resources on its Rekovac project and sought to relinquish its Cer and Vranje-South projects.

Notes to and Forming Part of the Accounts

For the Half-Year Ended 31 December 2020

3. Borrowings

	Consolidated entity	
	31 December 2020	30 June 2020
	\$	\$
Parent group loans – current	755,834	518,556
Parent group loans – non-current	518,575	660,681
	<u>1,274,409</u>	<u>1,179,237</u>

The Group has entered into loan agreements with its shareholder, Jadar Resources Limited. The loans are denominated in Australian dollars, unsecured and interest free. Loans are repayable in groups of \$500,000 over equal 11 monthly installments. Jadar Resources Limited financing of the Group in the form of a shareholder loans may attach to it beneficial financing terms which under Accounting Standards are considered to be equity capital contributions by the Group.

At initial recognition, these loans are measured at fair value and are subsequently carried at amortised costs using the effective interest method (10%). The difference between the fair value and the principal amount of the shareholder loans represents an equity capital contribution in the Group.

	Consolidated entity	
	31 December 2020	30 June 2020
	\$	\$
Carrying amount at the beginning of the period	1,179,237	741,528
Advances from shareholders	48,490	458,231
Interest on principal	56,096	86,029
Fair value adjustment on initial recognition	(9,414)	(106,551)
	<u>1,274,409</u>	<u>1,179,237</u>

4. Share Capital

	Note	Consolidated entity	
		31 December 2020	30 June 2020
		\$	\$
150 (30 June 2020: 150) Fully paid ordinary shares	(a)	100,010	100,010

Ordinary shares have no par value and participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of 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.

Notes to and Forming Part of the Accounts

For the Half-Year Ended 31 December 2020

5. Reserves

	Consolidated entity	
	31 December 2020 \$	30 June 2020 \$
Reserves		
Foreign currency reserve	(9,024)	(13,700)
Capital contribution reserve	340,037	330,623
	<u>331,013</u>	<u>316,923</u>

(i) Capital contribution reserve

	Consolidated entity	
	31 December 2020 \$	30 June 2020 \$
Beginning of the period	330,623	224,073
Excess of shareholder loans over fair value	9,414	106,551
	<u>340,037</u>	<u>330,623</u>

The excess of principal amount of shareholder loans over their fair value in substance represents an equity contribution by the shareholders and is recognized as a capital contribution reserve.

6. Contingencies

There have been no changes in the Contingent Assets or Liabilities of the Group since 30 June 2020 (2019: nil).

7. Events Subsequent to Balance Date

Subsequent to period end the following key events have occurred:

- In January 2021, the Group received a three (3) year extension of its Rekovac exploration licenses.
- On 24 February 2021, the Company's sole shareholder, Jadar Resources Limited (ASX: JDR) announced its intentions to spin out its Serbian lithium and borate assets (comprising of its Rekovac Project and pending applications for new exploration permits in Serbia) into a new incorporated subsidiary called Balkan Mining and Minerals Limited ("Balkan") subject to shareholder approval. It is intended that Balkan will undertake an Initial Public Offering ("IPO") to facilitate an admission to the official list of the ASX and see Balkan raise \$6.5 million of new equity. Under the proposed transaction, Jadar will retain approximately 22% of the equity in Balkan and retain exposure to Serbia assets via equity interest.

Sandfire has conditionally agreed to participate in the proposed IPO with a strategic investment of \$2M amounting to an approximate 22% equity in Balkan on the key terms and conditions set out in the Company's announcement dated 24 February 2021. As part of Sandfire's investment, Sandfire has also agreed to collaborate with Balkan.

The proposed transaction will create a new listed company with a sole focus on exploration and development of mineral projects in the Balkans, assisted by a dedicated board and management team with the ability to give direct focus to the Serbian lithium and borate assets and allocate the necessary resources required to generate immediate value.

Notes to and Forming Part of the Accounts

For the Half-Year Ended 31 December 2020

- (c) In March 2021, the Group secured four new exploration licences in Serbia covering an area of 261 km².

The Ursule and Siokovac exploration licences are adjacent to the Group's existing Rekovac licence where the Group's maiden drilling program identified the presence of preserved Borate and Lithium mineralisation.

The Ursule licence covers the central part of the Great Rekovac Basin (Rekovac Block) over an area of 99 km² and is located approximately 110 km south-southeast of Belgrade. Most of the central portions of the basin were mapped as middle Miocene age sediments. The target boratiferous lower Miocene sediments (Dragovo Formation), outcropping in the southwestern portion of the licence area close to their contacts with basement formations. These permissive sediments are anticipated to extend to the north-north-east where it is covered and preserved by younger sediment cover. NE-SW trending faults are thought to be major structural controls on basement fracturing and basin development and may also serve as zones of migration for mineral-bearing fluids. The Siokovac licences cover the northern part of the Great Rekovac Basin (Rekovac Block) and the licence area is approximately 98 km². The central and northern part of the licenced area is covered by a younger quaternary lake and alluvial formation which overlies middle Miocene marine sediments. The target lower Miocene lacustrine sediments (Dragovo Formation) paraconformably lay under marine sediments.

The Dobrinja and Pranjani licence areas (Čačak Block) are located in western Serbia approximately 90 km south-southwest of Belgrade (Figure 3). The Project area is covered by two exploration licences covering approximately 64 km² (Dobrinja 38 km², Pranjani 26 km²) of outcropping Neogene age basins containing lithified lacustrine sediments mapped as early, middle and upper Miocene.

Earlier studies carried out by the Yugoslavian Geological Survey identified favourable lacustrine strata for hosting lithium and boron within the licenced areas, which was followed up by Jadar's desktop studies that identified the basin's potential. The Dobrinja Basin is located in the southeast of the Kosjeric Basin and southwest of the Pranjani Basin. Available literature describes that the Dobrinja and Pranjani Basins are relicts of one much larger basin, which has eroded over time, leaving behind two smaller separated basins. The Dobrinja Basin is elongated in a northeast-southwest direction and filled by Neogene lacustrine sediments. The target lower Miocene sediments are exposed within western and eastern basin margins close to the contact with Basement formations. The target lower Miocene sediments lay below younger middle and upper Miocene sediments. The margins of the basin are either peridotites - serpentinite and diabase formation to the north, east and southeast and cretaceous limestone, paleozoic schist and triassic limestone to the west, southwest and south. The targeted lower Miocene continental-lacustrine sediments are characterised by marlstone, claystone, ash-flow tuffs and spring aprons travertines.

The Pranjani Basin lies immediately northeast of the Dobrinja Basin and extends over an area of approximately 40 km². The lake structural basin is filled by Neogene aged continental - lacustrine sediments mapped as middle Miocene. These sediments are composed mainly of marls, claystones, siltstones, ash-flow tuffs and clastics flows close to the basin margins. The geologic map indicates spread magnesite occurrences within the Pranjani Basin. These magnesite occurrences appear to be a good indicator that suggests a component of spring-sourced waters was supplied to the lake during sediment deposition. Hydrothermal magnesites are found in many other basins associated with lithium-boron enriched fluids and their precipitates.

Independent Auditor's Review Report

To the Members of Centralist Pty Ltd

Report on the review of the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Centralist Pty Ltd (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Centralist Pty Ltd does not comply with the *Corporations Act 2001* including:

- a. giving a true and fair view of the Centralist Pty Ltd's financial position as at 31 December 2020 and of its performance for the half year ended on that date; and
- b. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a loss of \$103,767 during the half year ended 31 December 2020 and had net cash outflows from operating and exploration activities of \$63,796. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

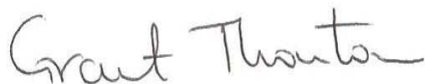
Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

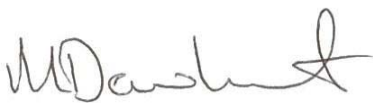
Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M D Dewhurst
Partner – Audit & Assurance

Perth, 6 May 2021