

**Mitsui & Co. Iron Ore Exploration & Mining Pty Ltd**

ABN 15 164 171 448

**Annual report  
for the financial year ended  
31 March 2021**

# **Mitsui & Co. Iron Ore Exploration & Mining Pty Ltd**

## **Annual report - 31 March 2021**

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**Mitsui & Co. Iron Ore Exploration & Mining Pty Ltd**  
**Directors' report**  
**31 March 2021**

## **Directors' report**

The directors present their report on Mitsui & Co. Iron Ore Exploration & Mining Pty Ltd (the "Company") for the year ended 31 March 2021. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

### **Directors**

The following persons held office as directors of the Company during the financial year and up to the date of this report:

Motoi Yamamoto  
Toru Kojima  
Takeo Okubo  
Gavin Patterson (alternate director for Motoi Yamamoto)  
Koichi Kawanishi (alternate director for Toru Kojima) (resigned 28 May 2021)  
Daizo Ishii (alternate director for Toru Kojima) (appointed 28 May 2021)  
Shintaro Sato (alternate director for Takeo Okubo)

### **Principal activities**

During the year the principal continuing activity of the Company consisted of holding a 7% interest in A Class Shares of BHP Iron Ore (Jimblebar) Pty Ltd (BIOJ), an incorporated joint venture engaged in the mining of iron ore in Western Australia.

### **Dividends**

No dividends have been declared or paid during the financial year.

### **Review of operations**

Revenue and other income for the financial year ended 31 March 2021 was \$204,277,000 (2020: \$122,080,000). The net profit after tax was \$174,692,000 (2020: \$122,838,000). This is mainly driven by an increase in dividends received from BIOJ.

The outbreak of the 2019 novel strain of coronavirus causing a contagious respiratory disease known as COVID-19, and the subsequent quarantine measures imposed by the Australian government and related travel and trade restrictions have caused disruption to businesses and resulted in significant global economic impacts. As at 31 March 2021, these impacts have not had a significant effect on the Company's financial results or operations. Due to the continually evolving nature of COVID-19 and the ongoing global vaccination programs, the Directors cannot reasonably estimate the effects that the COVID-19 pandemic could have on the financial statements for future periods, however, believe that any impact is expected to be temporary.

### **Significant changes in the state of affairs**

There have been no significant changes in the state of affairs of the Company during the year.

### **Subsequent events**

The Company has agreed and signed related agreements on 2<sup>nd</sup> June 2021 with major resource company BHP to acquire a partial interest in the Western Ridge asset owned by BIOJ. Following the acquisition, the Company will own a 7% share of the Western Ridge deposits.

Other than the above, there has not been any matter or circumstance occurring subsequent to 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 in future financial years.

### **Likely developments and expected results of operations**

Disclosure of information on likely developments in the operations of the Company and the expected results of operations have not been included in this annual report because the directors believe it would be likely to result in unreasonable prejudice to the Company.

### **Environmental regulation**

The Company has exposures to environmental regulations through participation in various BHP joint ventures in respect of exploration, mining, transport and power generation activities in the Pilbara region of Western Australia. Licenses to explore and mine are issued under the *Mining Act 1978* with activities also subject to regulations under *Environmental Protection Act 1986*. The Manager of the joint venture (BHP) is responsible for ongoing compliance with environmental regulations and guidelines. The directors have not been advised by the Manager of the joint venture of any significant noncompliance during the year.

### **Indemnification of officers and auditors**

During the financial year, a related company of the Company paid a premium in respect of a contract insuring the directors of the Company (as named above), the company secretary, its officers and of any related body corporate against a liability incurred as such a director, secretary or officer to the extent permitted by the Corporation Act. The contract of the insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an auditor of the Company or of any related body corporate against a liability incurred as such an auditor.

### **Proceedings on behalf of the Company**

There are no persons applying for leave under s.237 of the *Corporations Act 2001* to bring, or intervene in proceedings on behalf of the Company.

### **Auditor's independence declaration**

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included on page 5.

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

On behalf of the directors.

**DocuSigned by:**



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Motoi Yamamoto

President and Managing Director

Place: Perth

Date: 12<sup>th</sup> July 2021

# Deloitte.

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12 July 2021

The Board of Directors  
Mitsui & Co. Iron Ore Exploration & Mining Pty Ltd  
Level 25, Exchange Tower  
2 The Esplanade  
Perth WA 6000

Dear Board Members,

#### Auditor's Independence Declaration to Mitsui & Co. Iron Ore Exploration & Mining Pty Ltd

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Mitsui & Co. Iron Ore Exploration & Mining Pty Ltd.

As lead audit partner for the audit of the financial report of Mitsui & Co. Iron Ore Exploration & Mining Pty Ltd for the year ended 31 March 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

*Deloitte Touche Tohmatsu*  
DELOITTE TOUCHE TOHMATSU



D K Andrews  
Partner  
Chartered Accountants

## Independent Auditor's Report to the members of Mitsui & Co. Iron Ore Exploration & Mining Pty Ltd

### *Opinion*

We have audited the financial report, being a special purpose financial report, of Mitsui & Co. Iron Ore Exploration & Mining Pty Ltd (the "Company") which comprises statement of financial position as at 31 March 2021, 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 other explanatory information, and the directors' declaration.

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

- Giving a true and fair view of the Company's financial position as at 31 March 2021 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards to the extent described in note 1 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial 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.

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

### *Emphasis of Matter – Basis of Accounting*

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

## *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 31 March 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes 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 has 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.

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

- Identify and assess the risks of material misstatement of the financial 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 the directors' 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.

# **Deloitte.**

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

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU



D K Andrews

Partner

Chartered Accountants

Perth, 12 July 2021

**Mitsui & Co. Iron Ore Exploration & Mining Pty Ltd**  
**Directors' declaration**  
**31 March 2021**

**Directors' declaration**

As stated in note 1(b) to the financial statements, in the directors' opinion, the Company is not a reporting entity because there are no users dependent on general purpose financial reports. This is a special purpose financial report that has been prepared to meet *Corporations Act 2001* requirements.

The directors declare that:

- (a) the financial statements and notes set out on pages 10 to 30 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards and other mandatory professional reporting requirements as detailed above, and the *Corporations Act 2001*; and
  - (ii) giving a true and fair view of the Company's financial position as at 31 March 2021 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the directors made pursuant to S.295(5) of the *Corporations Act 2001*.

On behalf of the directors.

DocuSigned by:



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Motoi Yamamoto  
President and Managing Director  
Place: Perth  
Date: 12<sup>th</sup> July 2021

# **Mitsui & Co. Iron Ore Exploration & Mining Pty Ltd**

## **Annual report - 31 March 2021**

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**Mitsui & Co. Iron Ore Exploration & Mining Pty Ltd**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 31 March 2021**

	Notes	2021 \$'000	2020 \$'000
<b>Revenue from continuing operations</b>			
Service fees		(304)	(303)
Finance costs	3	(6,499)	(18,005)
Other expenses	3	(1,946)	(1,700)
Other income	2(b)	3,027	2,030
<b>Profit before income tax</b>		<u>195,528</u>	<u>102,072</u>
Income tax (expense) / benefit	4	(20,836)	20,766
<b>Profit for the year</b>		<u>174,692</u>	<u>122,838</u>
 <b>Other comprehensive income / (loss)</b>			
<i>Items that will not be classified to profit or loss</i>			
<i>Changes in the cash flow hedge at FVOCI*</i>	13(a)	2,046	-
Changes in the fair value of equity investment at FVOCI*	13(a)	264,571	(187,628)
Income tax (expense) / benefit relating to changes in the fair value of equity investment at FVOCI*	13(a)	(49,901)	37,674
<b>Other comprehensive income / (loss) for the year, net of tax</b>		<u>216,716</u>	<u>(149,953)</u>
 <b>Total comprehensive income / (loss) for the year</b>		<u>391,408</u>	<u>(27,115)</u>

\* FVOCI refers to fair value through other comprehensive income

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

**Mitsui & Co. Iron Ore Exploration & Mining Pty Ltd**  
**Statement of financial position**  
**For the year ended 31 March 2021**

	Notes	2021 \$'000	2020 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	<b>319,799</b>	54,129
Trade and other receivables	6	<b>32</b>	65,552
Intercompany tax receivables	4	-	14,959
<b>Total current assets</b>		<b>319,831</b>	134,640
<b>Non-current assets</b>			
Deferred tax assets	4	<b>17,118</b>	35,496
Financial assets at FVOCI	7	<b>1,105,436</b>	840,866
Derivative assets	8	<b>2,046</b>	-
<b>Total non-current assets</b>		<b>1,124,600</b>	876,362
<b>Total assets</b>		<b>1,444,431</b>	1,011,002
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	9	<b>702</b>	370
Intercompany tax payables	4	<b>4,940</b>	-
Borrowings	10	<b>96,631</b>	62,376
<b>Total current liabilities</b>		<b>102,273</b>	62,746
<b>Non-current liabilities</b>			
Borrowings	11	<b>472,605</b>	517,725
Deferred tax liabilities	4	<b>176,798</b>	129,184
<b>Total non-current liabilities</b>		<b>649,403</b>	646,909
<b>Total liabilities</b>		<b>751,676</b>	709,655
<b>Net assets</b>		<b>692,755</b>	301,347
<b>EQUITY</b>			
Issued capital	12	<b>15,000</b>	15,000
Other reserves	13(a)	<b>306,199</b>	89,483
Retained earnings	13(b)	<b>371,556</b>	196,864
<b>Total equity</b>		<b>692,755</b>	301,347

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

**Mitsui & Co. Iron Ore Exploration & Mining Pty Ltd**  
**Statement of changes in equity**  
**For the year ended 31 March 2021**

	<b>Contributed equity \$'000</b>	<b>Reserves \$'000</b>	<b>Retained earnings \$'000</b>	<b>Total equity \$'000</b>
<b>Balance at 1 April 2019</b>	15,000	239,436	74,026	328,462
Profit for the year	-	-	122,838	122,838
Other comprehensive loss, net of tax	-	(149,953)	-	(149,953)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(149,953)</b>	<b>122,838</b>	<b>(27,115)</b>
Dividends provided for or paid	-	-	-	-
<b>Balance at 31 March 2020</b>	<b>15,000</b>	<b>89,483</b>	<b>196,864</b>	<b>301,347</b>
 <b>Balance at 1 April 2020</b>	 15,000	 89,483	 196,864	 301,347
Profit for the year	-	-	174,692	174,692
Other comprehensive income, net of tax	-	216,716	-	216,716
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>216,716</b>	<b>174,692</b>	<b>391,408</b>
Dividends provided for or paid	-	-	-	-
<b>Balance at 31 March 2021</b>	<b>15,000</b>	<b>306,199</b>	<b>371,556</b>	<b>692,755</b>

*The above Statement of changes in equity should be read in conjunction with the accompanying notes.*

**Mitsui & Co. Iron Ore Exploration & Mining Pty Ltd**  
**Statement of cash flows**  
**For the year ended 31 March 2021**

	Notes	2021 \$'000	2020 \$'000
<b>Cash flows from operating activities</b>			
Dividend income reallocated from financing activities (i)		201,250	120,050
Payments to suppliers and employees		(3,002)	(2,679)
Interest paid		(5,144)	(16,161)
Income taxes refunded		17,513	10,514
Withdrawal / (Placement) of cash in term deposit greater than 3 months		65,000	(65,000)
Interest received		1,223	1,539
<b>Net cash generated from / (used in) operating activities</b>	16	<b>75,590</b>	<b>(71,787)</b>
<b>Cash flows from financing activities</b>			
Dividend income reallocated to operating activities (i)		(201,250)	(120,050)
Proceeds from shareholders deposit		235,200	149,800
Repayment of borrowings		(45,120)	(56,791)
<b>Net cash generated from financing activities</b>		<b>190,080</b>	<b>93,009</b>
<b>Net increase in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the financial year		265,670	21,222
<b>Cash and cash equivalents at end of financial year</b>	5	<b>54,129</b>	<b>32,907</b>
		<b>319,799</b>	<b>54,129</b>

(i) The statement of cash flows has applied a 'gross' presentation of an operating cash inflow and a financing cash outflow upon a dividend from BHP Iron Ore Jimblebar Pty Ltd (**BIOJ**) being declared and offset against the shareholder deposit.

*The above Statement of cash flows should be read in conjunction with the accompanying notes.*

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**Mitsui & Co. Iron Ore Exploration & Mining Pty Ltd**  
**Notes to the financial statements**  
**31 March 2021**

## **1 Summary of significant accounting policies**

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

### **(a) General information**

This financial report covers Mitsui & Co. Iron Ore Exploration & Mining Pty Ltd as an individual entity. The financial report is presented in United States dollars.

Mitsui & Co. Iron Ore Exploration & Mining Pty Ltd is a proprietary company, incorporated and operating in Australia. The parent entity is Mitsui & Co. Mineral Resources Development Pty Ltd which is incorporated in Australia. The ultimate parent entity is Mitsui & Co., Ltd. which is incorporated in Japan.

Mitsui & Co. Iron Ore Exploration & Mining Pty Ltd's registered office and principal place of business is:

Level 25, Exchange Tower  
2 The Esplanade  
Perth, WA 6000

### **(b) Significant accounting policies**

#### **Financial reporting framework**

This 'special purpose financial report' has been prepared to satisfy the directors' reporting requirements under the *Corporations Act 2001*. For the purpose of preparing the financial statements, the Company is a for-profit entity.

#### **Statement of compliance**

The financial report has been prepared in accordance with the *Corporations Act 2001*, the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 'Presentation of Financial statements', AASB 107 'Cash Flow Statements', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', and AASB 1054 'Australian Additional Disclosures'.

The financial report was authorised for issue by the directors on 12<sup>th</sup> July 2021.

#### **Basis of preparation**

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain financial instruments and assets. Cost is based on the fair values of the consideration given in exchange for assets. Unless otherwise indicated, all amounts are presented in thousand United States dollars.

#### **Rounding of amounts**

The Company is of the kind referred to in ASIC Corporations Instrument 2016/191, dated 24 March 2016, and in accordance with the requirements of the legislative corporations instrument amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

## 1 Summary of significant accounting policies (continued)

### (c) Foreign currency translation

#### (i) Functional and presentation currency

Items included in the financial statements of the Company's operations are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States dollars, which is the Company's functional and presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency 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 year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

### (d) Revenue recognition

Revenue is measure based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a production or service to a customer. The Company recognises revenue from the following major sources:

#### (i) Dividends

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably). Dividends are included in the 'revenue' line item in profit or loss.

#### (ii) Interest income

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost.

## 1 Summary of significant accounting policies (continued)

### (e) Income tax

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

#### *Tax consolidation legislation*

The Company is part of a tax-consolidated group under Australian taxation law. Mitsui & Co (Australia) Limited is the head company in the tax-consolidated group. The implementation date for the tax consolidated group was 1 April 2004.

The current and deferred tax amounts for the tax consolidated group are allocated among entities in the group using a group allocation approach whereby each entity in the tax consolidated group is allocated current and deferred taxes in a systematic manner which is consistent with the broad principles of AASB 112, based on the underlying tax effect of transactions within the members.

In order to determine the allocation of current and deferred tax amounts allocated to each member, each member prepares a stand alone calculation which includes the tax effect of intercompany transactions that are part of the group's normal business activities but excludes intercompany dividends and any capital gain (or loss) arising from the intra group transfer of assets that would occur but for the parties being members of the tax consolidated group.

Deferred tax assets and deferred tax liabilities are measured by reference to the carrying amounts of the assets and liabilities of the members balance sheet and their tax values applying under tax consolidation.

The tax consolidated group assesses the recovery of the Company's unused tax losses and tax credits only in the period in which they arise, in accordance with AASB 112. The Head Company recognises deferred tax assets arising from unused tax losses and tax credits of the Company to the extent that it is probable that future taxable profits of the tax consolidated group will be available against which the asset can be utilised.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses or tax credits assumed by the Head Company from the members in the tax consolidated group are recognised in conjunction with any tax funding arrangement amounts.

The members of the tax consolidated group have entered into a tax funding arrangement which sets out the funding obligations of members of the tax consolidated group in respect of tax amounts. The tax funding arrangements generally require payments to/from the Head Company equal to the current tax liability (asset) assumed by the Head Company and any tax loss or tax credit deferred tax asset assumed by the Head Company.

The members of the tax consolidated group have also entered into a valid Tax Sharing Agreement under the tax consolidation legislation which sets out the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations and the treatment of entities leaving the tax consolidated group.

## 1 Summary of significant accounting policies (continued)

### (f) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### (g) Receivables

All recognised financial assets (eg: trade receivables) are measured in their entirety at amortised cost given the financial assets are held with the sole objective to hold (rather than sell) in order to collect contractual cash flows that are solely payments of principal and interest (if any) on the principal amount outstanding.

Where required, the Company would recognise a loss allowance for expected credit losses (ECL) on trade receivables, to reflect changes in credit risk of trade receivables. The Company always recognises lifetime ECL for trade receivables. The expected credit losses are estimated using a provision matrix based on the Company's historical credit loss experience adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both current as well as the forecast direction of conditions at the reporting date, including time value of money, where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial asset (e.g: trade receivable).

The amount of expected credit losses is then updated at each reporting date to reflect, if any, changes in credit risk since the initial recognition of respective trade receivables.

Other receivables are measured at amortised cost using the effective interest method less impairment. Interest receivables are recognised by applying the effective interest rate.

Shareholder loans receivable which have loan terms of more than 12 months from reporting period date and do not have fixed or determinable repayment schedules are classified as Non-current assets - Receivables.

### (h) Investments and other financial assets

#### (i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

#### (ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

## 1 Summary of significant accounting policies (continued)

### (h) Investments and other financial assets (continued)

#### *Debt instruments*

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. All of the Company's debt instruments falls under the following measurement category:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

#### *Equity instruments*

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as revenue when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

#### (i) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of forward exchange and interest rate swap contracts are determined using forward exchange market rates and market interest rates respectively at the balance sheet date.

The fair value of the Company's financial assets at fair value through other comprehensive income is determined using a discounted cash flow methodology that is based on production profiles, operating expenditure and capital expenditure forecasts. The modelling also incorporates assumptions readily observable in the market such as foreign exchange rates, iron ore prices and inflation.

#### (j) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

#### (k) Loans payable

Loans payable are initially recognised at fair value (net of transaction costs incurred) and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the net carrying amount on initial recognition.

## **1 Summary of significant accounting policies (continued)**

### **(I) Provisions**

Provisions for legal claims, service warranties and make good obligations are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability. The increase in the provisions due to the passage of time is recognised as finance cost.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

### **(m) Issued capital**

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

### **(n) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

### **(o) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised, on or before the end of the reporting period but not distributed at the end of the reporting period.

### **(p) 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 taxation authority. In this case it is recognised as part of the cost of 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 taxation authority is included with other receivables or payables in the balance sheet.

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 taxation authority, are presented as operating cash flows.

## 1 Summary of significant accounting policies (continued)

### (q) Critical accounting judgements and key sources of estimation uncertainty in applying the Company's accounting policies

In the application of the Company's accounting policies management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Company has identified the following critical accounting policies under which significant judgements, estimates and assumptions are made and where actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

#### *Valuation of financial assets at fair value through other comprehensive income*

The Company's accounting policy requires management to make estimates and assumptions about technical and economic factors such as quantities, grades, production costs, commodity demand, commodity prices, and exchange rates when conducting its discounted cash flow analysis over the value of A Class Shares in BIOJ. As economic assumptions may change from period to period, the valuation of the shares may also change from period to period. Such movements in the valuation of the shares have been irrevocably elected to be presented in Other Comprehensive Income in accordance with AASB 9 *Financial Instruments*.

### (r) Standards and Interpretations affecting amounts reported in the current period (and/or prior periods)

There are new and revised Standards and Interpretations adopted in these financial statements affecting the amounts disclosed in the current period (and/or prior periods).

### (s) Application of new and revised Australian Accounting Standards

#### **Amendments to Accounting Standards that are mandatorily effective for the current reporting period**

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2020.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Company include:

- AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business*
- AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*
- AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework*
- AASB 2019-3 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform*
- AASB 2019-5 *Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia*

In the current year, the Company has applied a number of amendments to Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (the Board) that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

## 1 Summary of significant accounting policies (continued)

### (s) Application of new and revised Australian Accounting Standards (continued)

**Amendments to Accounting Standards that are mandatorily effective for the current reporting period (continued)**

#### **AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business**

Amends AASB 3 Business Combinations to clarify the definition of a business, with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

The amendments:

- Clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs
- Remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs
- Add guidance and illustrative examples to help entities assess whether a substantive process has been acquired
- Narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs
- Add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

#### **AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material**

These amendments are intended to address concerns that the wording in the definition of 'material' was different in the Conceptual Framework for Financial Reporting, AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

The amendments address these concerns by:

- Replacing the term 'could influence' with 'could reasonably be expected to influence'
- Including the concept of 'obscuring information' alongside the concepts of 'omitting' and 'misstating' information in the definition of material
- Clarifying that the users to which the definition refers are the primary users of general purpose financial statements referred to in the Conceptual Framework
- Aligning the definition of material across IFRS Standards and other publications.

#### **AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework**

Makes amendments to various Accounting Standards and other pronouncements to support the issue of the revised Conceptual Framework for Financial Reporting.

#### **AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform**

The amendments affect entities that apply the hedge accounting requirements of AASB 9 Financial Instruments or AASB 139 Financial Instruments: Recognition and Measurement to hedging relationships directly affected by the interest rate benchmark reform.

The amendments would mandatorily apply to all hedging relationships that are directly affected by the interest rate benchmark reform and modify specific hedge accounting requirements, so that entities would apply those hedge accounting requirements assuming that the interest rate benchmark is not altered as a result of the interest rate benchmark reform.

#### **AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia**

Amends AASB 1054 Australian Additional Disclosures to add a requirement for entities that intend to be compliant with IFRS standards to disclose the information required by AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors (specifically paragraphs 30 and 31) for the potential effect of each IFRS pronouncement that has not yet been issued by the AASB.

**Mitsui & Co. Iron Ore Exploration & Mining Pty Ltd**  
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## 1 Summary of significant accounting policies (continued)

### (t) New and revised Australian Accounting Standards and Interpretations on issue but not yet effective

At the date of authorisation of the financial statements, the Company has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

Standard/amendment	Effective for annual reporting periods beginning on or after
AASB 2014-10 <i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 &amp; AASB 128]</i> , AASB 2015-10 <i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128</i> and AASB 2017-5 <i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections</i>	1 April 2022 (Editorial corrections in AASB 2017-5 applied from 1 April 2018)
AASB 1060 <i>General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities</i>	1 April 2022
AASB 2014-10 <i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> , AASB 2015-10 <i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128</i> , AASB 2017-5 <i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections</i>	1 April 2022
AASB 2020-1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</i> and AASB 2020-6 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date</i>	1 April 2023
AASB 2020-2 <i>Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities</i>	1 April 2022
AASB 2020-3 <i>Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments</i>	1 April 2022
AASB 2020-4 <i>Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions</i> and AASB 2020-7 <i>Amendments to Australian Accounting Standards – COVID-19-Related Rental Concessions Tier 2 Disclosures</i>	1 April 2021
AASB 2020-8 <i>Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2</i>	1 April 2021

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**2 Revenue and other income**

	2021 \$'000	2020 \$'000
<b>(a) Revenue</b>		
From continuing operations:		
Dividend income	<b>201,250</b>	120,050
	<b>201,250</b>	120,050

	2021 \$'000	2021 \$'000
<b>(b) Other income</b>		
Interest	726	2,030
Foreign exchange gain	2,301	-
	<b>3,027</b>	2,030

**3 Expenses**

	2021 \$'000	2020 \$'000
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**Profit before income tax includes the following specific expenses:**

<i>Finance costs</i>		
Interest and finance charges paid/payable for financial liabilities	5,403	16,810
Guarantee fee	1,096	1,195
	<b>6,499</b>	18,005

<i>Other expenses</i>		
Administration costs	1,946	953
Foreign exchange loss	-	747
	<b>1,946</b>	1,700

**Mitsui & Co. Iron Ore Exploration & Mining Pty Ltd**  
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#### 4 Income Tax

(a) The major components of income tax expense are:

	2021 \$'000	2020 \$'000
<b>Current tax</b>		
Current income tax expense / (benefit) in respect of current year	4,940	(14,959)
Over income tax provision in prior years	(195)	(62)
	<u>4,745</u>	<u>(15,021)</u>
<b>Deferred tax</b>		
Deferred income tax expense / (benefit) recognised in the current year	16,091	(5,745)
	<u>16,091</u>	<u>(5,745)</u>
Total income tax expense / (benefit) recognised in the current year	<b>20,836</b>	<b>(20,766)</b>
<b>Deferred tax through other comprehensive income</b>		
Deferred income tax expense / (benefit) recognised in the current year	49,901	(37,674)
<b>Deferred income tax is comprised of:</b>		
Decrease / (Increase) in deferred tax assets	18,378	(8,693)
Increase / (Decrease) in deferred tax liabilities	47,614	(34,726)
	<u>65,992</u>	<u>(43,419)</u>

(b) Numerical reconciliation of income tax benefit to *prima facie* tax payable

	2021 \$'000	2020 \$'000
Accounting profit before income tax	195,528	102,072
Income tax expense calculated at rate of 30%	58,658	30,622
Tax effect of current year permanent adjustments	(37,627)	(51,326)
Over income tax provision in prior years	(195)	(62)
Income tax expense / (benefit) reported in the statement of profit or loss	<b>20,836</b>	<b>(20,766)</b>

(c) Deferred tax assets/liabilities

	2021 \$'000	2020 \$'000
Deferred tax assets expected to be recovered within 12 months	1,611	3,394
Deferred tax assets expected to be recovered after more than 12 months	15,507	32,102
	<u>17,118</u>	<u>35,496</u>
Deferred tax liabilities expected to be settled within 12 months	609	2,949
Deferred tax liabilities expected to be settled after more than 12 months	176,189	126,235
	<u>176,798</u>	<u>129,184</u>
<b>Total net deferred tax liabilities</b>	<b>159,680</b>	<b>93,688</b>

**Mitsui & Co. Iron Ore Exploration & Mining Pty Ltd**  
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**5 Current assets – Cash and cash equivalents**

	2021 \$'000	2020 \$'000
Cash at bank and on hand	<b>319,799</b>	54,129

**6 Current assets – Trade and other receivables**

	2021 \$'000	2020 \$'000
<b>Net other receivables</b>		
Term deposits (Greater than 3 months term)	-	65,000
Interest receivables	<b>19</b>	539
Other receivables	<b>13</b>	13
	<b>32</b>	65,552

**7 Non-current assets – Financial assets at FVOCI**

	2021 \$'000	2020 \$'000
Investment in BIOJ	<b>1,105,436</b>	840,866

**8 Non-current assets – Derivatives**

	2021 \$'000	2020 \$'000
Hedge Receivables	<b>2,046</b>	-

**9 Current liabilities – Trade and other payables**

	2021 \$'000	2020 \$'000
Other payables	<b>441</b>	92
Accrued expenses	<b>261</b>	278
	<b>702</b>	370

**Mitsui & Co. Iron Ore Exploration & Mining Pty Ltd**  
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**10 Current liabilities – Borrowings**

	2021 \$'000	2020 \$'000
Shareholder Deposits from BIOJ	<b>65,047</b>	30,792
<b>Secured</b>		
External bank loans (Japan Bank for International Cooperation)	<b>31,584</b>	31,584
	<b>96,631</b>	<b>62,376</b>

**11 Non-current liabilities – Borrowings**

	2021 \$'000	2020 \$'000
<b>Secured</b>		
External bank loans (Japan Bank for International Cooperation)	<b>321,348</b>	352,932
Intercompany loans (Mitsui & Co. Financial Services (Australia) Ltd)	<b>151,257</b>	164,793
Total secured non-current borrowings	<b>472,605</b>	517,725

**12 Issued capital**

**Share Capital**

	2021 \$'000	2020 \$'000
Fully paid ordinary shares (15,000,000 shares)	<b>15,000</b>	15,000
Total contributed equity	<b>15,000</b>	15,000

The Company does not have a limited amount of authorised capital and issued shares do not have a par value.

Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held.

**Mitsui & Co. Iron Ore Exploration & Mining Pty Ltd**  
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### 13 Other reserves and retained earnings

	2021 \$'000	2020 \$'000
<b>(a) Other reserves</b>		
<b>Movements:</b>		
Opening balance 1 April	89,483	239,436
Cash flow hedge	2,046	-
Revaluation of financial assets at FVOCI	264,571	(187,628)
Related income tax	(49,901)	37,674
Closing balance 31 March	<u>306,199</u>	<u>89,483</u>

Financial assets at fair value through other comprehensive income are subsequently carried at fair value. Changes in the interest rate differences arising on revaluation of cash flow hedge in addition to the fair value and exchange differences arising on translation of investments are presented as financial assets at fair value through other comprehensive income and is recognised in other comprehensive income and accumulated in a separate reserve within equity.

	2021 \$'000	2020 \$'000
<b>(b) Retained earnings</b>		
<b>Movements:</b>		
Opening balance 1 April	196,864	74,026
Net Profit for the year	174,692	122,838
Closing balance 31 March	<u>371,556</u>	<u>196,864</u>

### 14 Contingencies

The Company had no contingent liabilities at 31 March 2021 (2020: \$nil).

### 15 Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditor of the Company.

#### Audit services

	2021 \$	2020 \$
<i>Deloitte Touche Tohmatsu Australian firm</i>		
Audit and review of financial reports under the Corporations Act 2001 and other audit work	81,303	67,306
<i>Other assurance services</i>		
Other audit services	37,544	34,942
<b>Total remuneration for audit services</b>	<b>118,847</b>	<b>102,248</b>

Other audit services relates to assessment performed on the Company's Japanese-SOX internal control environment and clearance report prepared for the Company's principal auditors based in Japan.

*AUD amount converted at average FY USD rate.*

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**16 Reconciliation of profit after income tax to net cash generated from / (used in) operating activities**

	2021 \$'000	2020 \$'000
Profit for the year	174,692	122,838
Accrued interest on shareholder loan	-	(1)
Accrued interest expense on shareholder deposits	306	1,042
Dividend income	(201,250)	(120,050)
Movement in deferred tax	65,992	(43,419)
Deferred tax (expense) / benefit through other comprehensive income	(49,901)	37,674
Change in operating assets and liabilities:		
Decrease / (Increase) in receivables	65,520	(65,536)
Decrease in current loan receivables	-	49
Increase in intercompany tax payable / (receivables)	19,899	(4,019)
Increase / (Decrease) in payables	332	(367)
Net cash generated from / (used in) operating activities	<u>75,590</u>	<u>(71,789)</u>

**17 Subsequent events**

The Company has agreed and signed related agreements on 2<sup>nd</sup> June 2021 with major resource company BHP to acquire a partial interest in the Western Ridge asset owned by BIOJ. Following the acquisition, the Company will own a 7% share of the Western Ridge deposits.

Other than the above, there has not been any matter or circumstance occurring subsequent to 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 in future financial years.

**18 Operational update**

The outbreak of the 2019 novel strain of coronavirus causing a contagious respiratory disease known as COVID-19, and the subsequent quarantine measures imposed by the Australian government and related travel and trade restrictions have caused disruption to businesses and resulted in significant global economic impacts. As at 31 March 2021 these impacts have not had a significant effect on the Company's financial results or operations. Due to the continually evolving nature of COVID-19 and the ongoing global vaccination programs, the Directors cannot reasonably estimate the effects that the COVID-19 pandemic could have on the financial statements for future periods, however, believe that any impact is expected to be temporary.