

**EQUITY & ROYALTY
INVESTMENTS LTD**

ABN 56 129 549 435

Annual Report

2025

ANNUAL REPORT

for the financial year ended 30 June 2025

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CORPORATE DIRECTORY

Board of Directors

Mr Damian Hicks	Executive Chairman
Mr Ian Gregory	Non-Executive Director & Company Secretary
Mrs Mindy Ku	Non-Executive Director & Company Secretary

Auditors

Stantons
Level 2
40 Kings Park Road
West Perth
Western Australia 6005

Principal Office

Level 12, 197 St Georges Terrace
Perth, Western Australia 6000

Registered Office

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Perth, Western Australia 6000

Postal Address

PO Box 1227
West Perth
Western Australia 6872

Contact Details

+61 8 9322 3383 (Telephone)
ABN 56 129 549 435

CHAIRMAN'S LETTER

Dear Shareholders

Equity & Royalty Investments Ltd (**ERI** or the **Company**) is a shareholder in, and lender of funds to, unlisted public company Critical Metals Ltd (**Critical Metals**), www.criticalmetals.com. The Company is a shareholder in Redivium Limited (previously known as Hannans Ltd) (ASX:RIL). RIL is on the ASX long term suspended entities list.

ERI's strategy is to recover loan funds from Critical Metals during FY26 and if successful, assess options to create value for shareholder. In the interim, to reduce the administrative cost of holding ERI shares, the Board will consider initiating a share buy-back in the next Quarter.

Please consider the ERI audited financial statements, and should you have any questions, please do not hesitate to contact me.

Best regards,

Damian Hicks
Executive Chairman

DIRECTORS' REPORT

BOARD OF DIRECTORS

The names and particulars of the Directors of the Company during or since the end of the financial year are:

Mr Damian Hicks
Executive Chairman

(Appointed 5 February 2008)

Mr Hicks is a founding Director of Equity & Royalty Investments Ltd.

Mr Hicks holds a Bachelor of Commerce (Accounting and Finance) from the University of Western Australia, is admitted as a Barrister and Solicitor of the Supreme Court of Western Australia, holds a Graduate Diploma in Applied Finance & Investment from FINSIA, a Graduate Diploma in Company Secretarial Practice from Chartered Secretaries Australia, a Graduate of the Australian Institute of Company Directors course, and is currently studying geology at Curtin University.

Mr Hicks was a founding Director of Redivium Ltd (previously Hannans Ltd) and Critical Metals Ltd.

Mr Ian Gregory
Director & Company Secretary

(Appointed 5 February 2008)

Mr Gregory is a founding Director of Equity & Royalty Investments Ltd.

Mr Gregory holds a Bachelor of Business from Curtin University and is a Fellow of the Governance Institute of Australia, and a Member of the Australian Institute of Company Directors. Prior to founding his own business in 2005 Mr Gregory was the Company Secretary of Iluka Resources Ltd (6 years), IBJ Australia Bank Ltd Group (12 years) and the Griffin Group of Companies (4 years). Mr Gregory is a past Chairman of the Western Australian branch of the Governance Institute of Australia. He has also served on the National Council of GIA. Mr Gregory currently consults on company secretarial and governance matters to a number of listed and unlisted companies.

Mrs Mindy Ku
Director & Company Secretary

(Appointed 15 September 2020)

Mrs Ku has over 16 years' international experience in financial analysis, financial reporting, management accounting, compliance reporting, board reporting, company secretarial services and office management across multiple jurisdictions (Australia, Malaysia, UK, Sweden, and Norway) including ASX listed companies, public and private companies.

Mrs Ku holds a Bachelor of Science in Computing from University of Greenwich, United Kingdom, is a Member of Certified Practising Accountant (CPA) Australia and a Fellow member of the Governance Institute of Australia (GIA).

Mrs Ku established consulting firm Corporate Board Services Pty Ltd and is a Company Secretary of ASX listed Miramar Resources Ltd, West Coast Silver Ltd (previously Errawarra Resources Ltd), Redivium Ltd (previously Hannans Ltd), DMC Mining Ltd and several unlisted companies.

Unless otherwise stated, the above-named Directors held office for the whole of the financial year and up to the date of this report.

At the date of this report, the following table sets out the current Directors' relevant interests in shares and options of Equity & Royalty Investments Ltd and the changes since 30 June 2025.

Director	Ordinary Shares		Options	
	Current Holding	Net increase/ (decrease)	Current Holding	Net increase/ (decrease)
Damian Hicks	1,218,576	–	–	–
Ian Gregory	1,050,909	–	–	–
Mindy Ku	–	–	–	–

No share options were granted to directors as part of their remuneration by Equity & Royalty Investments Ltd since the end of the financial year.

DIRECTORS' REPORT

REMUNERATION REPORT (Unaudited)

The remuneration report is set out under the following main headings:

- | | | | |
|----|--|----|----------------------------|
| A. | Principles used to determine the nature and amount of remuneration | D. | Share-based compensation |
| B. | Details of remuneration | E. | Directors' equity holdings |
| C. | Service agreements | F. | Additional information |

A. Principles used to determine the nature and amount of remuneration

The whole Board forms the Remuneration Committee. The remuneration policy has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component with the flexibility to offer specific long term incentives based on key performance areas affecting the Company's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors and executives to manage the Company.

The Directors of the Company have not entered into an employment contract with the Company. It is envisaged that subject to completion of key milestones, including future capital raisings, the Directors will, if necessary, seek shareholder approval for individual Director's employment contracts and remuneration that will reflect past and future services to the Company.

B. Details of remuneration

Details of remuneration of the directors and key management personnel (as defined in AASB 124 *Related Party Disclosures*) of Equity & Royalty Investments Ltd are set out in the following table. The key management personnel of Equity & Royalty Investments Ltd are the directors as listed on page 3.

The table below shows the 2025 and 2024 figures for remuneration received by the Company's directors. During the year, no remuneration was paid to the Directors (2024: \$100,000).

	Short Term			Post-employment		Equity			Total
	Fees	Bonus	Other benefits	Super-annuation	Pre-scribed benefits	Shares	Options	Other benefits	
	\$	\$	\$	\$	\$	\$	\$	\$	
2025									
Directors									
Damian Hicks	–	–	–	–	–	–	–	–	–
Ian Gregory	–	–	–	–	–	–	–	–	–
Mindy Ku	–	–	–	–	–	–	–	–	–
Total	–	–	–	–	–	–	–	–	–
2024									
Directors									
Damian Hicks	80,000	–	–	–	–	–	–	–	80,000
Ian Gregory	10,000	–	–	–	–	–	–	–	10,000
Mindy Ku	10,000	–	–	–	–	–	–	–	10,000
Total	100,000	–	–	–	–	–	–	–	100,000

DIRECTORS' REPORT

C. Service agreements

The Company has a services agreement with Corporate Board Services Pty Ltd (**CBS**) to provide management, financial, company secretary and administrative services since 1 July 2011. Mr Damian Hicks and Mrs Mindy Ku are directors of CBS. Furthermore, CBS Tax Pty Ltd, a subsidiary of CBS, provides taxation services to the Company. There are no monthly fees payable to CBS or CBS Tax. One month notice of termination is required.

D. Share-based compensation

Options can be issued to directors and executives as part of their remuneration. The options are not based on performance criteria, but are issued to align the interests of directors, executives and shareholders.

No options were issued during the year (2024: nil). There were no options held by Directors and Executive at 30 June 2025 (2024: nil). Refer to the next section for further details of the options outstanding.

E. Directors' equity holdings

(a) Fully paid ordinary shares of Equity & Royalty Investments Ltd

Key management personnel	Balance at 1 July No.	Granted as remuneration No.	Received on exercise of options No.	Net other change No.	Balance at 30 June No.
2025					
Damian Hicks	1,218,576	–	–	–	1,218,576
Ian Gregory	1,050,909	–	–	–	1,050,909
Mindy Ku	–	–	–	–	–
	2,269,485	–	–	–	2,269,485
2024					
Damian Hicks	1,218,576	–	–	–	1,218,576
Ian Gregory	1,050,909	–	–	–	1,050,909
Mindy Ku	–	–	–	–	–
	2,269,485	–	–	–	2,269,485

(b) Options of Equity & Royalty Investments Ltd

Key management personnel	Balance at 1 July No.	Granted as remuneration No.	Options exercised No.	Net other change No.	Balance at 30 June No.	Exercisable No.	Non exercisable No.
2025							
Damian Hicks	–	–	–	–	–	–	–
Ian Gregory	–	–	–	–	–	–	–
Mindy Ku	–	–	–	–	–	–	–
	–	–	–	–	–	–	–
2024							
Damian Hicks	–	–	–	–	–	–	–
Ian Gregory	2,000,000	–	–	(2,000,000)	–	–	–
Mindy Ku	1,000,000	–	–	(1,000,000)	–	–	–
	3,000,000	–	–	(3,000,000)	–	–	–

DIRECTORS' REPORT

F. Additional information

Performance income as a proportion of total compensation

No performance based bonuses have been paid to directors or executives during the financial year.

End of Remuneration Report (Unaudited)

Meetings of Directors

The following table sets out information in relation to Board meetings held during the financial year. Due to the scope and size of the Company's operations, no committees were established. Attendances by each director during the year were as follows:

Directors	Board Meetings	Circular Resolutions	Total
Damian Hicks	1	2	3
Ian Gregory	1	2	3
Mindy Ku	1	2	3

DIRECTORS' REPORT

PRINCIPAL ACTIVITY

The principal activity of the Company is investment in equities and royalties, and the provision of loan funding to companies in the natural resources sectors.

REVIEW OF OPERATIONS

The Company's strategy has been, and remains, holding investments in listed and unlisted companies with the objective of realising gains through capital appreciation and generating an income stream through royalty investments. It currently holds shares in Redivium Ltd (previously Hannans Ltd) (listed), and Critical Metals (unlisted). The Company does not hold any royalties. The Company also provided loan funding to Critical Metals.

FINANCIAL REVIEW

The Company began the financial year with cash reserves of \$175,554.

During the year, gain from sale of equity investments was nil (2024: gain \$25,383). Fair value gain of other financial assets amounted to \$704 (2024: loss \$5,641) which was accounted in accordance with the Company's accounting policy. Administration and impairment expenditure incurred by the Company amounted to \$27,751 (2024: \$690,194). This has resulted in an operating profit after income tax for the year ended 30 June 2025 of \$153,722 (2024: loss \$767,996).

The Company's closing net asset position was \$313,145 (2024: \$159,423). This is primarily due repayment of loan by Critical Metals during the financial year.

The Company ended the financial year with cash reserves of \$331,759.

Additional Compliance Statements

Risk and Risk Management

The Company manages the risks listed below, and other day-to-day risks through a number of risk controls and mitigants. Specific risk controls and mitigants include but are not limited to:

- Board risk oversight;
- Implementation and adoption of Company policies and standards;
- Insuring business activities and operations in accordance with industry practice;
- Engaging appropriate finance, accounting, and legal advisors; and
- Implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets.

Government regulation

The Group's current and future operating activities are subject to various laws and statutory regulations governing taxes, royalty payments, labour standards and occupational health, environmental, communications, and to obtaining and maintaining the necessary authorisations, and licences.

No assurance can be given that new laws, rules and regulations will not be enacted or that existing laws, rules and regulations will not be applied in a manner which could have an adverse effect on the Company's financial position and results of operations. Any such amendments to current laws, regulations and permits governing operations and activities, or more stringent implementation thereof, could have a material adverse impact on the Company's result of operations, financial condition and prospects. Failure to comply with any applicable laws, regulations or permitting requirements may result in enforcement actions against the Company, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, or remedial actions.

DIRECTORS' REPORT

Commodity prices

The Company's future prospects in the equity holdings will be influenced by the prices obtained for the commodities produced and targeted in the holding's development programs. Commodity prices fluctuate and are impacted by factors including the relationship between global supply and demand for minerals, forward selling by producers, costs of production, geopolitical factors (including trade tensions), hostilities and general global economic conditions.

Commodity prices are also affected by the outlook for inflation, interest rates, currency exchange rates and supply and demand factors. These factors may have an adverse effect on the Company's equity holding.

Environment

The Company is subject to environmental laws and regulations of Australia. While the Company proposes to comply with applicable laws and regulations, there is the risk that the Group may incur liability for any breaches of these laws and regulations.

The Group is also unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations. There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments which could have a material adverse effect on the Company's business, financial condition and performance.

Reliance on key personnel

The Company is dependent on its directors and consultants to implement its business strategy. A number of factors including the departure of key management personnel or a failure to attract or retain suitable qualified key personnel, could adversely affect the Company's business strategy.

Access to and dependence on capital raisings

The Company's operating activities require minimal expenditure going forward. The Company's objectives when managing capital is to safeguard its ability to continue as a going concern. Although the Company believes that additional funding can be obtained via sale of its equity holding, no assurances can be made that appropriate funding will be available when required. If the Company is unable to obtain additional financing as required, it may be required to scale back its operating activities. As a result, the Company's ability to continue as a going concern may be diminished.

Significant Changes in State of Affairs

Other than those disclosed in this annual report, no significant changes in the state of affairs of the Company occurred during the financial year.

Significant Events after the Balance Date

No matters or circumstances have arisen since 30 June 2025 that 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

The Company expects to maintain its holding in Redivium Ltd (previously Hannans Ltd), and Critical Metals while continuing its current level of operations. There are no likely developments expected in the Company's operations.

Environmental Regulation and Performance

Equity & Royalty Investments Ltd has no exploration assets and is therefore not subjected to environmental regulations.

Dividends

No dividends were paid or declared during the financial year and no recommendation for payment of dividends has been made.

Options

There were no options on issue to purchase ordinary shares at the date of this report or at the end of the year.

DIRECTORS' REPORT

Non-Audit Services

During the year, Stantons or associated entities did not provide any non-audit services to the Company.

Indemnifying Officers or Auditor

During or since the end of the financial year, the Company has not given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums on behalf of the directors.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

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

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included on page 10 of the annual report.

Signed in accordance with a resolution of the Directors made pursuant to section 298(2) of the *Corporations Act 2001*.

On behalf of the Directors

Damian Hicks

Executive Chairman

Perth, Australia this 25th day of July 2025

INDEPENDENCE DECLARATION TO THE DIRECTORS



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www.stantons.com.au

25 July 2025

Board of Directors
Equity & Royalty Investments Ltd
Level 12, 197 St Georges Terrace
PERTH WA 6000

Dear Directors

RE: EQUITY & ROYALTY INVESTMENTS 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 Equity & Royalty Investments Ltd.

As Audit Director for the audit of the financial statements of Equity & Royalty Investments Ltd for the year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Authorised Audit Company)

A handwritten signature in black ink, appearing to read "Samir Tirodkar".

Samir Tirodkar
Director

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DIRECTORS' DECLARATION

The Directors declare that:

- in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with Accounting Standards and International Financial Reporting Standards as disclosed in note 2 and give a true and correct view of the financial position and performance of the Company for the financial year ended on that date;
- the remuneration disclosures set out in the directors' report comply with Accounting Standards AASB 124 *Related Party Disclosures* and *Corporations Act and Regulations 2001*; and
- the Directors have been given the declarations required by s 295A of the Corporations Act for the financial year ended 30 June 2025.

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

Damian Hicks

Chairman

Perth, Australia this 25th day of July 2025



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUITY & ROYALTY INVESTMENTS LTD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Equity & Royalty Investments Ltd ("the Company"), which comprises the statement of financial position as at 30 June 2025, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

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INDEPENDENT AUDIT REPORT TO THE MEMBERS



Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance opinion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or 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 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 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 Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control.

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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We 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.

We 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.

INDEPENDENT AUDIT REPORT TO THE MEMBERS



We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd
Samir

Samir Tirodkar
Director
West Perth, Western Australia
25 July 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2025

	Note	2025 \$	2024 \$
Other income	4	180,769	2,456
Directors' fee	6	–	(100,000)
Consultants expenses		(25,906)	(27,111)
Fair value profit/ (loss) on other financial assets		704	(5,641)
Impairment	9	–	(660,893)
Gain on sale of equity		–	25,383
Other expenses		(1,845)	(2,190)
Profit/(Loss) from continuing operations before income tax benefit/expense		153,722	(767,996)
Income tax benefit/(expense)	5	–	–
Profit/(Loss) from continuing operations attributable to members of the Company		153,722	(767,996)
Other comprehensive profit/(loss) for the year			
Items that are or may be reclassified to profit or loss		–	–
Items that will not be reclassified to profit or loss		–	–
Total other comprehensive profit/(loss) for the year		–	–
Total comprehensive profit/ (loss) for the year		153,722	(767,996)
Net profit/(loss) attributable to the Company		153,722	(767,996)
Total comprehensive profit/(loss) attributable to the Company		153,722	(767,996)
<i>Profit/(Loss) per share:</i>			
Basic profit/(loss) (cents per share)	14	0.15	(0.77)

The accompanying notes form part of the financial statements.

STATEMENT OF FINANCIAL POSITION

as at 30 June 2025

	Note	2025 \$	2024 \$
Current assets			
Cash and cash equivalents	20(a)	331,759	175,554
Other receivables	8	25	281
Other financial assets at fair value through profit or loss	9	2,821	2,116
Total current assets		334,605	177,951
Non-current assets			
Total non-current assets		–	–
TOTAL ASSETS		334,605	177,951
Current liabilities			
Other payables	10	21,460	18,528
Total current liabilities		21,460	18,528
Non-current liabilities			
Total non-current liabilities		–	–
TOTAL LIABILITIES		21,460	18,528
NET ASSETS		313,145	159,423
Equity			
Contributed equity	11	79,500	79,500
Reserves	12	–	–
Retained earnings	13	233,645	79,923
TOTAL EQUITY		313,145	159,423

The accompanying notes form part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2025

	Attributable to equity holders			Total Equity \$
	Contributed equity \$	Reserves \$	Retained earnings \$	
For the year ended 30 June 2025				
Balance as at 1 July 2024	79,500	–	79,923	159,423
Total comprehensive income				
Profit for the year	–	–	153,722	153,722
Other comprehensive income	–	–	–	–
Total comprehensive profit for the year	–	–	153,722	153,722
Transactions with owners recorded direct to equity				
Share based payment	–	–	–	–
Total transactions with owners	–	–	–	–
Balance as at 30 June 2025	79,500	–	233,645	313,145

	Attributable to equity holders			Total Equity \$
	Contributed equity \$	Reserves \$	Retained earnings \$	
For the year ended 30 June 2024				
Balance as at 1 July 2023	79,500	42,368	805,551	927,419
Total comprehensive income				
(Loss) for the year	–	–	(767,996)	(767,996)
Other comprehensive income	–	–	–	–
Total comprehensive (loss) for the year	–	–	(767,996)	(767,996)
Transactions with owners recorded direct to equity				
Expiry of options	–	(42,368)	42,368	–
Total transactions with owners	–	(42,368)	42,368	–
Balance as at 30 June 2024	79,500	–	79,923	159,423

The accompanying notes form part of the financial statements.

STATEMENT OF CASH FLOWS

for the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Payments to suppliers and directors		(24,564)	(132,859)
Interest received		6,069	2,456
Net cash (used in) operating activities	20(b)	(18,495)	(130,403)
Cash flows from investing activities			
Loan advanced to a related party		–	–
Proceeds from sale of investment securities, net of brokerage fees		–	100,474
Net cash provided by investing activities		–	100,474
Cash flows from financing activities			
Proceeds from borrowings		–	–
Repayment of borrowings		174,700	–
Net cash provided by financing activities		174,700	–
Net increase / (decrease) in cash and cash equivalents		156,205	(29,929)
Cash and cash equivalents at the beginning of the financial year		175,554	205,483
Cash and cash equivalents at the end of the financial year	20(a)	331,759	175,554

The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

1. General Information

Equity & Royalty Investments Ltd (**Company**) is an unlisted public company, domiciled and incorporated in Australia.

The Company's registered office and its principal place of business are located at Level 12, 197 St Georges Terrace, Perth, Western Australia 6000.

The Company has no controlled entities and, therefore, is not required to prepare consolidated financial statements under the accounting standards. As a result, section 295(3A)(a) of the *Corporations Act 2001* does not apply to the Company.

2. Statement of significant accounting policies

The financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board, and complies with other requirements of the law.

Accounting Standards include Australian equivalents to International Financial Reporting Standards (**A-IFRS**). Compliance with the A-IFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (**IFRS**).

The financial statements were authorised for issue by the Directors.

The principal 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, except as noted below.

(a) Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical cost, except for certain financial assets and liabilities which are carried at fair value. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Going concern basis of preparation

The financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation and extinguishment of liabilities in the ordinary course of business.

The Company holds shares in Redivium Limited (*previously known as Hannans Ltd*) (ASX:RIL) (**Redivium**), and Critical Metals Ltd (**Critical Metals**). At 30 June 2025 the Company held 705,177 ordinary shares in Redivium valued at \$2,821 (at the date of this report the market value of the shares is approximately \$2,821). The Company holds shares in an unlisted public company Critical Metals which was fully impaired to nil during the financial year ended 30 June 2024.

On a day-to-day basis the Company has minimal operating expenses and these will be funded through cash at bank, and/or the partial sell down of assets. For these reasons, the Directors are of the opinion that the financial statements can be prepared on a going concern basis.

In the event that the Company is not able to continue as a going concern, it may be required to realise assets and extinguish liabilities other than in the normal course of business and at amounts lower to those stated in its financial report. No adjustments have been made in this report with regard to the recoverability or classification of recorded asset amounts or to the amounts on classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

(b) New Accounting Standards for Application in the Current Financial Year and Future Periods

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2024 except for the new accounting standards stated below.

New and Amended Standards Adopted by the Company

The Company has considered the implications of new and amended Accounting Standards which have become applicable for the current financial reporting period.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

2. Statement of significant accounting policies (cont'd)

(b) New Accounting Standards for Application in the Current Financial Year and Future Periods (cont'd)

AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback

AASB 2022-5 requires a seller-lessee to subsequently measure lease liabilities arising from a sale and leaseback transaction in a way that does not result in recognition of a gain or loss that relates to the right of use it retains.

The adoption of the amendment did not have a material impact on the financial statements.

AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants

AASB 2022-6 clarifies when liabilities should be presented as current or non-current in the statement of financial position, including the impact of covenants on that classification. The amendment requires additional disclosures about the risk that non-current liabilities could become payable within twelve months after the reporting period because of the difficulties with complying with the covenants.

The adoption of the amendment did not have a material impact on the financial statements.

AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements

AASB 2023-1 requires the disclosure of information about the Group's supplier finance arrangements and their effects on the Group's liabilities and cash flows.

The adoption of the amendment did not have a material impact on the financial statements.

(c) New accounting standards and interpretations

New and Amended Accounting Policies not Yet Adopted by the Company

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.

AASB 18 Presentation and Disclosure in Financial Statements

Effective for annual reporting periods beginning on or after 1 January 2027

AASB 18 replaces AASB 101 Presentation of Financial Statements. It will not change the recognition and measurement of items in the financial statements but will affect presentation and disclosure in the financial statements, including introducing new categories and defined subtotals in the statement of profit or loss, requiring the disclosure of management-defined performance measures, and changing the grouping of information in the financial statements.

AASB 2024-2 Amendments to Australian Accounting Standards - Classification and measurement of financial instruments

Effective for annual reporting periods beginning on or after 1 January 2026

AASB 2024-2 Amends AASB 9 Financial Instruments to introduce an option to derecognise financial liabilities settled through electronic transfer before the settlement date, clarifies how contractual cash flows should be assessed for financial assets with environmental, social and governance (ESG) and similar features, includes additional guidance in respect of non-recourse features and contractually linked instruments and amends specific disclosure requirements. The Group is currently evaluating the expected impact of these amendments on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, management is required to make judgments, 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 judgments. 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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting year are deferred tax, share based payments, impairment of assets and fair value of unlisted financial assets.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

	2025 \$	2024 \$
4. Other income		
Bank interest	6,069	2,456
Repayment of loan by Critical Metals ⁽ⁱ⁾	174,700	–
	180,769	2,456
Material Accounting Standard: Revenue recognition		
Revenue from sale of equity investments is recognised net of brokerage fees.		
Dividend and interest revenue		
Dividend revenue is recognised on a receivable basis. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.		
(i) The Company loaned Critical Metals Limited (Critical Metals) the amount of \$785,000 (2024: \$785,000) at an interest rate of 12.5% per annum. The loan was unsecured and repayable by 31 December 2026. Mr Damian Hicks and Mrs Mindy Ku are related parties as they are officeholders of Critical Metals. The fair value of the loan was based on net present value with no expected future cash flows. As there was a significant uncertainty as to the repayment of this loan, the loan amount was impaired in full in the previous years. During the current financial year, Critical Metals repaid \$174,700 indicating an improvement in its ability to repay. As of 30 June 2025, there remained an uncertainty as to the repayment of the remaining loan of \$610,300. As such, the reversal of impairment during the year is limited to the funds received of \$174,700 and recorded as other income in the statement of profit and loss and other comprehensive income. Refer to note 9 and 18(b).		
5. Income taxes		
Income tax recognised in profit or loss		
Tax benefit/(expense) comprises:		
Current tax expense	–	–
Deferred tax benefit/(expense) relating to the origination and reversal of temporary differences	–	–
Total tax benefit/(expense)	–	–
The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:		
Profit/(Loss) from operations	153,722	(767,996)
Income tax expense calculated at 25% (2024: 25%)	38,431	(191,999)
Effect of expenses that are not deductible in determining taxable loss	(43,245)	160,025
Unused tax losses and temporary differences not recognised as deferred tax assets	4,814	31,974
Income tax attributable to operating loss	–	–
The tax rate used in the above reconciliation is the corporate tax rate of 25% (2024: 25%) payable by Australian corporate entities on taxable profits under Australian tax law.		
Deferred tax recognised in profit or loss		
The following deferred amounts were charged to income during the year:		
Deferred taxation utilised during the year	–	–
	–	–

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

	2025 \$	2024 \$
5. Income taxes (cont'd)		
Unrecognised deferred tax balances		
The following deferred tax assets and (liabilities) have not been brought to account:		
Tax losses – revenue	107,587	102,220
Net temporary differences	(430)	(185,166)
	107,157	(82,946)

In addition to the above at the 30 June 2025 the company had unrecognised deferred tax assets of \$40,671 (2024: \$40,848) from net temporary differences on capital losses.

Key judgement – deferred taxation

Deferred tax liabilities are recognised for all taxable temporary differences in accordance with accounting policies. Deferred tax assets are recognised in respect of tax losses only where the tax losses are expected to be recovered. The Company has not recognised any deferred tax assets as the Directors cannot determine with any degree of certainty the probability of using the deferred tax assets arising from tax losses and other temporary differences.

6. Key management personnel

(a) Details of key management personnel

The Directors of Equity & Royalty Investments Ltd during the year were:

> Damian Hicks > Ian Gregory > Mindy Ku

There were no other key management personnel during the year.

(b) Key management personnel compensation

The aggregate compensation made to key management personnel of the Company is set out below. Detailed compensation of each member of the key management personnel of the Company is set out in the Directors Remuneration report on page 4. During the year, no remuneration was paid to the Directors (2024: \$100,000).

	2025 \$	2024 \$
Short-term employee benefits	–	100,000
Post-employment benefits	–	–
Other benefits	–	–
	–	100,000

Material Accounting Standard: Employee benefits

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the entity in respect of services provided by employees up to reporting date.

7. Remuneration of auditors

Audit of the financial report	8,500	8,000
	8,500	8,000

The auditor of Equity & Royalty Investments Ltd is Stantons International audit and consulting Pty Ltd

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

	2025 \$	2024 \$
8. Other receivables – current		
Goods and services tax (GST)	25	281
	25	281
9. Other financial assets at fair value through profit or loss		
Current		
Equity instruments		
Investment in Redivium Limited (previously Hannans Ltd) (ASX:RIL) ⁽ⁱ⁾ 2025: 705,177 (2024: 705,177) fully paid ordinary shares	2,821	2,116
Investment in Critical Metals Ltd ⁽ⁱⁱ⁾ 2025: 2,202,976 (2024: 2,202,976) fully paid ordinary shares	660,893	660,893
Impairment of Critical Metals Ltd shares ⁽ⁱⁱ⁾	(660,893)	(660,893)
Loans		
Loans to a related entity ⁽ⁱⁱⁱ⁾	610,300	785,000
Interest on loan to related party	117,015	–
Impairment	(727,315)	(785,000)
	2,821	2,116

(i) The investment in Redivium Limited have been measured and classified as a Level 1 financial asset which is based on a quoted price in an active market.

(ii) The investment in Critical Metals Ltd (public unlisted company) has been measured at fair value and classified as a Level 3 financial asset. The Company during the year ended 30 June 2024 fully impaired the fair value of the shares in Critical Metals Ltd.

(iii) The Company loaned Critical Metals Limited (**Critical Metals**) the amount of \$785,000 (2024: \$785,000) at an interest rate of 12.5% per annum. The loan was unsecured and repayable by 31 December 2026. Mr Damian Hicks and Mrs Mindy Ku are related parties as they are officeholders of Critical Metals. The fair value of the loan was based on net present value with no expected future cash flows. As there was a significant uncertainty as to the repayment of this loan, the loan amount was impaired in full in the previous years. During the current financial year, Critical Metals repaid \$174,700 indicating an improvement in its ability to repay. As of 30 June 2025, there remained an uncertainty as to the repayment of the remaining loan of \$610,300. As such, the reversal of impairment during the year is limited to the funds received of \$174,700 and recorded as other income in the statement of profit and loss and other comprehensive income.

Key judgement – impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

Material Accounting Standard: Financial assets

Classification and subsequent measurement

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

	2025 \$	2024 \$
10. Other payables		
Current		
Accruals	20,745	18,320
Payables to related party (refer note 18(c))	715	208
	21,460	18,528

11. Contributed equity

	2025		2024	
	No.	\$	No.	\$
Share capital	100,000,000	79,500	100,000,000	79,500
	100,000,000	79,500	100,000,000	79,500
Movements in ordinary share capital				
Fully paid ordinary shares				
Balance at beginning of financial year	100,000,000	79,500	100,000,000	79,500
Balance at end of financial year	100,000,000	79,500	100,000,000	79,500

Ordinary Shares

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

	2025 \$	2024 \$
12. Reserves		
The balance of reserves is made up as follows:		
Option reserve	–	–
	–	–
<i>Movement in option reserve</i>		
Balance at the beginning of financial year	–	42,368
Expiry of options transferred to retained earnings	–	(42,368)
Balance at the end of financial year	–	–

Nature and purpose of reserves

Option reserve

The option reserve recognises the fair value of options issued and valued using the Black-Scholes model.

There was no options over ordinary shares in aggregate at 30 June 2025 (2024: nil).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

	2025 \$	2024 \$
13. Retained earnings		
Balance at the beginning of financial year	79,923	805,551
Profit/(Loss) attributable to members of the entity	153,722	(767,996)
Items of other comprehensive income recognised directly in retained earnings		
Expiry of options	–	42,368
Balance at the end of financial year	233,645	79,923

	2025 Cents per share	2024 Cents per share
14. Profit/(Loss) per share		
Basic profit/ (loss) per share:		
From continuing operations	0.15	(0.77)
Total basic profit/(loss) per share	0.15	(0.77)

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic profit per share are as follows:

	2025 \$	2024 \$
Profit/(Loss)	153,722	(767,996)

	2025 No.	2024 No.
Weighted average number of ordinary shares for the purposes of basic loss per share	100,000,000	100,000,000

15. Commitments for expenditure

As at the reporting date, the Company has no commitments.

16. Contingent liabilities and contingent assets

In the opinion of the Directors, there are no contingent assets or contingent liabilities as at 30 June 2025 and none were incurred in the interval between the year end and the date of this financial report.

17. Segment information

For management purposes the Company is organised into one main operating segment which involves the investment in other companies. All of the Company's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

18. Related party disclosures

(a) Key management personnel remuneration

Details of key management personnel remuneration are disclosed in note 6 to the financial statements.

(b) Loan to a related party

The Company loaned Critical Metals Limited (Critical Metals) the amount of \$785,000 (2024: \$785,000) at an interest rate of 12.5% per annum. The loan was unsecured and repayable by 31 December 2026. Mr Damian Hicks and Mrs Mindy Ku are related parties as they are officeholders of Critical Metals. The fair value of the loan was based on net present value with no expected future cash flows. As there was a significant uncertainty as to the repayment of this loan, the loan amount was impaired in full in the previous years.

During the current financial year, Critical Metals repaid \$174,700 indicating an improvement in its ability to repay. As of 30 June 2025, there remained an uncertainty as to the repayment of the remaining loan of \$610,300. As such, the reversal of impairment during the year is limited to the funds received of \$174,700 and recorded as other income in the statement of profit and loss and other comprehensive income.

(c) Other transactions with related parties

Director transactions

Corporate Board Services (**CBS**), of which Mr Damian Hicks and Mrs Mindy Ku are the Directors, provided management, financial, company secretary and administrative services amounting to \$14,723 (2024: \$19,450) during the year. At 30 June 2025, \$715 (2024: \$208) was owing to CBS (refer to note 10).

19. Subsequent events

No matters or circumstances have arisen since 30 June 2025 that 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.

20. Notes to the statement of cash flows

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2025 \$	2024 \$
Cash and cash at bank	331,759	175,554
	331,759	175,554

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

20. Notes to the statement of cash flows (cont'd)

	2025 \$	2024 \$
(b) Reconciliation of loss for the year to net cash flows from operating activities		
Profit/(Loss) for the year	153,722	(767,996)
(Gain)/Loss from sale of equity investments	–	(25,383)
Broker fees from sale of equity investments	–	92
Impairment of related party loan	–	660,893
Fair value changes on other financial assets	(704)	5,641
Reversal of impairment of related party loan	(174,700)	–
<i>(Increase)/decrease in assets:</i>		
Other receivables	254	(166)
<i>Increase/(decrease) in liabilities:</i>		
Other payables	2,933	(3,484)
Net cash used in operating activities	(18,495)	(130,403)

(c) Non-cash financing and investing activities

During the current year, the Company did not enter into any non-cash investing and financing activities which are not reflected in the statement of cash flows.

21. Financial instruments

(a) Financial risk management objectives

The Company manages the financial risks relating to the operations of the Company.

The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes although it holds, at 30 June 2025, shares in listed and unlisted companies. The use of financial derivatives is governed by the Company's Board of Directors.

The Company's activities expose it primarily to the financial risks of changes in interest rates, but at 30 June 2025 it is also exposed to market price risk. The Company does not enter into derivative financial instruments to manage its exposure to interest rate.

(b) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

(c) Foreign currency risk management

The Company does not transact in foreign currency, hence no exposure to exchange rate fluctuations arise.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

21. Financial instruments (cont'd)

(d) Interest rate risk management

The Company has minimal cash in bank and no loan with third parties. Therefore, the Company is exposed to minimal risks associated with fluctuating interest rates.

Maturity profile of financial instruments

The following table details the Company's exposure to interest rate risk.

	Weighted average effective interest rate %	Variable interest rate \$	Fixed maturity dates			Non- interest bearing \$	Total \$
			Less than 1 year \$	1-5 years \$	5+ years \$		
2025							
Financial assets:							
Cash and cash equivalents	2.24%	315,665	–	–	–	16,094	331,759
Receivables		–	–	–	–	25	25
		315,665	–	–	–	16,119	331,784
Financial liabilities:							
Other payables		–	–	–	–	21,460	21,460
		–	–	–	–	21,460	21,460
2024							
Financial assets:							
Cash and cash equivalents	1.93%	152,895	–	–	–	22,659	175,554
Receivables		–	–	–	–	281	281
		152,895	–	–	–	22,940	175,835
Financial liabilities:							
Other payables		–	–	–	–	18,528	18,528
		–	–	–	–	18,528	18,528

(e) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored. The Company measures credit risk on a fair value basis.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

21. Financial instruments (cont'd)

(f) Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company does not perform any sensitivity analysis and none is disclosed in the financial statements as the impact would not be material.

(g) Price risk

Market risk is the potential for profit or loss arising from adverse movements in the level and volatility of equity prices.

The Company's investment subject to price risk is a listed company investment on the Australian Securities Exchange as detailed in note 9. A 10 percent increase at reporting date in the equity prices would increase the market value of the securities by \$282 (2024: \$212), and an equal change in the opposite direction would decrease the value by the same amount. The increase/decrease would be reflected in the statement of profit or loss and other comprehensive income as these equity instruments are classified as FVPL. The increase/decrease net of deferred tax would be \$212 (2024: \$159).

(h) Fair value of financial instruments

The net fair value of financial assets and liabilities of the Company is approximated their carrying amount. The Company has no financial assets and liabilities where the carrying amount exceeds the net fair value at balance date. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and notes to the financial statements.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2025				
Financial assets measured at fair value				
Equity instruments (note 9)	2,821	–	–	2,821
Loan to a related party (note 9)	–	–	–	–
Total financial assets recognised at fair value	2,821	–	–	2,821
2024				
Financial assets measured at fair value				
Equity instruments (note 9)	2,116	–	–	2,116
Loan to a related party (note 9)	–	–	–	–
Total financial assets recognised at fair value	2,116	–	–	2,116

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