

## 1. Company details

Name of entity:	ASF Group Limited
ABN:	50 008 924 570
Reporting period:	For the year ended 30 June 2022
Previous period:	For the year ended 30 June 2021

## 2. Results for announcement to the market

				<b>\$'000</b>
Revenues from ordinary activities	up	44% to		2,200
Loss from ordinary activities after tax attributable to the owners of ASF Group Limited	up	25.6% to		4,062
Loss for the year attributable to the owners of ASF Group Limited	up	25.6% to		4,062

### Dividends

There were no dividends paid, recommended or declared during the current financial period.

### Comments

The loss for the Group after providing for income tax and non-controlling interest amounted to \$4,062,000 (30 June 2021: \$3,233,000).

Refer to the attached Operating and Financial Review for detailed commentary.

## 3. Net tangible assets

	<b>Reporting period Cents</b>	<b>Previous period Cents</b>
Net tangible assets per ordinary security	(1.06)	(0.46)

## 4. Details of associates and joint venture entities

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Reporting period %	Previous period %	Reporting period \$'000	Previous period \$'000
Rey Resources Limited	16.36%	16.36%	(294)	(216)
ActivEX Limited	16.08%	19.63%	(346)	(131)
Key Petroleum Limited	11.45%	11.45%	(140)	(384)
3D Bio-Tissues Ltd *	-	24.5%	(232)	(155)
BSF Enterprise PLC	9.68%	-	(46)	-
UK International Innovation Centre Ltd	20%	20%	-	-
<i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i>				
Loss from ordinary activities before income tax			(1,058)	(886)

\* Reverse takeover by BSF Enterprise PLC (LSE:BSFA), a public company listed on the London Stock Exchange.

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5. **Audit qualification or review**

*Details of audit/review dispute or qualification (if any):*

The financial statements are currently being audited. An unqualified opinion is expected to be issued and an emphasis of matter for material uncertainty relating to going concern will be included in the audit report.

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6. **Attachments**

*Details of attachments (if any):*

The Preliminary Financial Report of ASF Group Limited for the year ended 30 June 2022 is attached.

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7. **Signed**



Signed \_\_\_\_\_

Min Yang  
Chairman

Date: 31 August 2022

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The operating and financial review covers the operations of the consolidated entity (referred to hereafter as the 'Group') consisting of ASF Group Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

### **Financial results and commentary**

For the year ended 30 June 2022, revenue from continuing operations of the Group increased by approximately 44% to \$2,200,000 (2021: \$1,529,000), which was mainly contributed by the commission revenue for the sale of properties.

During the year, the Group achieved an encouraging result on sale of properties and recorded a commission revenue of \$1,641,000 (2021: \$613,000). Sale of Stage 3 of the Peninsula Hope Island project is progressing well and another project "the AU" which is located at Surfers Paradise, Gold Coast has also started providing revenue contributions for the year. It is expected that these two projects will continue to provide notable revenue to the Group in the year ahead.

Consolidated loss after tax and non-controlling interest for the year was \$4,062,000, an increase of approximately 25.6% compared with last year of \$3,233,000. Majority of the loss for the year was mainly attributed to the following:

- Share of losses of the associates of \$1,058,000;
- Provision for impairment of investment in associates of \$110,000; and
- Interest expenses and other finance costs \$2,046,000.

Subsequent after the financial year ended, the Company announced the extension of its on-market share buyback program for a further 12 months from 18 July 2022 and up to 79.2 million shares of the Company can be bought back under the new buyback program. During the year, the Company bought back 152,515 shares at an average price of \$0.044 per share.

### **Financial position**

As of 30 June 2022, the Company together with its subsidiaries (the "Group") maintained a cash balance of approximately \$4.4 million and has an available loan facility of \$3.05 million granted by Star Diamond Developments Limited ("Star Diamond").

Finance costs for the year amounted to \$2,046,000 (2021: \$1,796,000) which represented principally accrued interests on the loan due to Star Diamond.

### **Principal Investments**

#### **ActivEX Limited ("AIV")**

AIV is an ASX listed mineral exploration company holding a number of prospective tenements, principally targeting copper-gold and gold mineralisation in Queensland.

During the year, AIV successfully completed a placement of shares raising \$2.125 million (before costs) which would be used for its drilling programs and exploration on new projects. Following the approval of AIV shareholders at its general meeting held on 12 January 2022, AIV issued 15,784,950 share options with an exercise price of \$0.12 per share expiring 21 January 2024.

The Group holds 16.08% of the issued capital of AIV at a book value of \$0.62 million, compared with its market value of \$1.04 million as of 30 June 2022.

**Rey Resources Limited (“REY”)**

REY is an ASX listed oil & gas exploration and development company with a large tenement holding in the Canning Basin, Western Australia. The principal activity of REY is exploring for and developing energy resources in Western Australia’s Canning Basin.

REY also holds interest in a gas project in the Surat Basin of Queensland (“Surat Gas Project”). In December 2020, REY announced the proposed acquisition of up to 75% equity interests in Southernpec (Australia) Pty Ltd (“SouthnA”) which holds significant interests in 7 conventional gas production licences in Surat Gas Project that is located just south of Roma GLNG asset in the Surat Basin. REY had completed stage 1 and part of stage 2 of the investment and was holding 20% equity interest in SouthnA.

During the year, REY announced that it would not proceed further on stages 2 and 3 of the investment and, in June 2022 REY executed a share buy-back deed with SouthnA pursuant to which SouthnA bought back all the fully paid ordinary shares in SouthnA held by REY for a consideration of \$766,500 which were satisfied by the transfer of 7.5 million fully paid ordinary shares in PZE Limited (“PZE”) held by SouthnA. PZE is a public company incorporated in Australia and is proposed to apply for listing on the ASX.

On 22 June 2022, the Company announced that it agreed to extend the maturity date of the \$2 million loan facility granted to REY for 1 year to 31 October 2023.

The Group holds 16.36% of the issued capital of REY at a book value of \$8.8 million, compared with its market value of \$9 million as at 30 June 2022.

**Key Petroleum Limited (“KEY”)**

KEY is an ASX listed Australian oil and gas operating company focused on exploration in conventional and unconventional projects in the Cooper Basin in Queensland and Western Australia.

On 28 April 2022, the Company entered into a loan facility agreement with KEY pursuant to which the Company would grant an unsecured loan facility of up to \$250,000 (“Facility”) to KEY, which bears an interest rate of 10% per annum maturing 31 December 2023. As of 30 June 2022, a total of \$100,000 of the Facility had been drawn down by KEY.

As at 30 June 2022, the Group holds 11.45% of the issued capital of KEY with a market value of \$0.45 million.

**Kaili Resources Limited (“KLR”)**

KLR is a resources exploration company which holds tenements in Western Australia. The Group holds 2.2 million shares in KLR with a market value of \$30,800 as at 30 June 2022.

**Civil & Mining Resources Pty Ltd (“CMR”)**

Trading as CMR Coal, CMR is a privately owned company with a substantial coal tenement portfolio in Queensland situated in close proximity to operating mines, infrastructure and proven economic coal resources.

CMR has successfully completed 48 boreholes on their key project Dawson West, with a total of 10,940m drilled, geophysical logged selectively cored, sampled and analysed, which has confirmed export quality thermal coal resources with seams of mineable thickness expected to extend further into unexplored areas. CMR has defined a JORC2012 code compliant resource, with a total of 876Mt (188Mt Indicated, 688Mt Inferred resource).

Following completion of the recent exploration program at Dawson West Project, CMR Coal lodged a bulk sample pit application which has now been approved, including the Environmental approval and a signed Cultural Heritage Management Plan with the traditional owners.

Based on the outcomes of the exploration, CMR has completed highly detailed pre-feasibility studies and has developed plans for an underground thermal coal mine. The project has life of mine agreements in place for native title and land access as well as having strong support from local and state regulators, local communities, businesses and stakeholders. Mining and environmental approval processes have both commenced and both the EIS and engineering feasibility studies are under way.

Together with its subsidiary ASF Resources Pty Ltd, the Company holds 68.97% of the issued capital of CMR.

### **ASF Technologies Ltd (“ASFT”)**

ASFTA is an Australian company that has developed Australian patents for the Scotch Yoke mechanism technology used initially in power generation for engines with lower vibration, less noise, lower emissions, and lower cost than conventional engines.

### **Property Marketing and Services**

ASF Properties Pty Ltd (‘ASFP’), a wholly-owned subsidiary of the Company, continues to provide property services to onshore and offshore investors and home buyers. It represents an important strategic platform for offshore investors to access the Australian real estate market. The service scope includes development management, property management, property advisory, and development syndication. The projects which ASFP provides services for are located in New South Wales and Queensland.

During the year, ASFP achieved an encouraging result on the sale of properties in particular Stage 3 of the Peninsula Hope Island project which is the final stage of a master-planned gated community development located in Gold Coast, Queensland. ASFP has also started to provide marketing and sales service for another project named “the AU” located at Surfers Paradise, Gold Coast. It is expected these two projects will continue to increase the revenue for ASFP in the year ahead.

### **Fund Management and Advisory Services**

ASF Capital Pty Ltd (‘ASF Capital’) holds an Australian Financial Services Licence and is the fund management and advisory arm of the Group’s core strategy to facilitate two-way capital flows between Australia and Asia.

ASF Capital assists select businesses both on shore and off on matters such as public listing, financial advisory, entry and/or expansion in Australia, and visa migration related areas. Also, ASF Capital is able to form any number of tailor-made wholesale funds to capture a diverse array of investment opportunities.

### **Castle Green, London**

The Group and the London Borough of Barking & Dagenham (‘LBBD’) continue to work jointly together in assessing the possible development of a major infrastructure project in the Castle Green area, which could include the building of 15,000 new residential dwellings; rerouting of the A13 trunk road and creating commercial buildings of 3,700,000 square feet which will create an estimated 8,000 employment opportunities.

The Castle Green project will be transformational for LBBD, bringing considerable social, economic and infrastructure benefits, and will be conducted together with Be First LBBD’s local authority regeneration company.

### **3D Bio-Tissues Ltd / BSF Enterprise PLC**

3D Bio-Tissues Ltd (‘3DBT’) was 49% owned by BSF Angel Funding Limited (‘BSF Angel Funding’), a subsidiary of the Company.

Upon successful completion of the reverse takeover of 3DBT by BSF Enterprise PLC (LSE: BSFA), a publicly listed independent company incorporated in the UK, which had been re-admitted to the Official List on the London Stock Exchange’s Main Market on 17 May 2022, 3DBT is now a 100% owned subsidiary of BSFA.

In consideration for the sale of the Company’s interest in 3DBT to BSFA, BSF Angel Funding received 16,610,944 fully paid ordinary shares representing approximately 19.36% of the issued capital of BSFA with a market value of GBP1.04 million as at 30 June 2022.

3DBT was spun-out from Newcastle University, UK in 2019 and is a bio-technology company specialising in serum-free media, skin care and tissue engineering.

3DBT has developed a proprietary platform technology termed “tissue templating” (commonly referred to as “tissue engineering”) that facilitates the production of a variety of animal tissue types for multiple uses. This technology aims to offer structured, functional and scalable tissue replicates with potential applications in clinical settings for the replacement of human skin & corneas or broader uses in consumable protein including lab grown meat.

Amongst other intellectual property, 3DBT has also developed the following:

- Serum-free media: 3DBT's City-mix™ supplements are a serum-free media for culturing muscle and fat cells (by way of an animal-free process) that can be used for lab -grown meat and leather production; and
- Skin Care Products: Lipopeptide Etsyl™ is a product that actively increases collagen production in human skin cells. It can be used as an active ingredient in cosmetic skin cream and other topical dermatological products.

Building on its success to date, 3DBT is focused on producing the UK's first 100% lab-grown meat in the next 12 months. The funds raised will be used to expand the team and to market the Company's animal-free cell growth agent (serum free media) and skin care products.

#### **UKIIC, UK**

The Company, through its wholly owned UK subsidiary BSF International Ltd, holds 20% interest in the issued capital of UK International Innovation Centre (UKIIC) which aims to develop an incubation Centre for development of early stage technology and life science businesses in the City of London.

#### **Matters subsequent to the end of the financial year**

On 4 July 2022, the Company announced the extension of its on-market share buyback program for a further 12 months from 18 July 2022 and up to 79.2 million shares of the Company can be bought back over the next 12 months under the new buyback program.

No other matters or circumstances that have arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

**ASF Group Limited**

**ABN 50 008 924 570**

**Preliminary Financial Report - 30 June 2022**

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ASF Group Limited  
Statement of profit or loss and other comprehensive income  
For the year ended 30 June 2022



	Note	Consolidated	
		2022 \$'000	2021 \$'000
<b>Revenue</b>	1	2,200	1,529
Finance income	1	85	94
Share of losses of associates accounted for using the equity method	3	(1,058)	(886)
Other income	2	401	1,604
<b>Expenses</b>			
Commission and fee expenses		(938)	(383)
Consultancy expenses		(802)	(1,245)
Marketing expenses		5	(52)
Employee benefits expense		(1,454)	(1,385)
Depreciation and amortisation expenses	3	(284)	(423)
Impairment of financial assets at fair value through profit or loss	3	(110)	(24)
Loss on disposal of plant and equipment	3	-	(5)
Impairment gain/(loss) of financial assets	3	-	(3)
Legal and professional fees		(187)	(190)
Corporate and administration expenses		(277)	(190)
Occupancy expenses	3	(59)	19
Finance costs	3	(2,046)	(1,796)
<b>Loss before income tax expense</b>		(4,524)	(3,336)
Income tax expense		-	-
<b>Loss after income tax expense for the year</b>		(4,524)	(3,336)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(10)	(104)
<b>Total comprehensive income for the year</b>		(4,534)	(3,440)
Loss for the year is attributable to:			
Non-controlling interest		(462)	(103)
Owners of ASF Group Limited		(4,062)	(3,233)
		(4,524)	(3,336)
Total comprehensive income for the year is attributable to:			
Non-controlling interest		(462)	(103)
Owners of ASF Group Limited		(4,072)	(3,337)
		(4,534)	(3,440)
		<b>Cents</b>	<b>Cents</b>
Basic loss per share	15	(0.51)	(0.41)
Diluted loss per share	15	(0.51)	(0.41)

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

	Note	Consolidated 2022 \$'000	2021 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		4,412	4,041
Trade and other receivables	4	263	246
Other assets		3	5
<b>Total current assets</b>		4,678	4,292
<b>Non-current assets</b>			
Other receivables	5	935	761
Investments accounted for using the equity method	6	10,313	11,477
Financial assets at fair value through profit or loss		31	55
Property, plant and equipment	7	60	77
Intangibles	8	3,585	3,347
Right of use assets	11	452	712
<b>Total non-current assets</b>		15,376	16,429
<b>Total assets</b>		20,054	20,721
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	280	206
Employee benefits		200	163
Lease liabilities	11	254	242
<b>Total current liabilities</b>		734	611
<b>Non-current liabilities</b>			
Borrowings	10	23,955	19,950
Lease liabilities	11	201	455
<b>Total non-current liabilities</b>		24,156	20,405
<b>Total Liabilities</b>		24,890	21,016
<b>Net assets</b>		(4,836)	(295)
<b>Equity</b>			
Issued capital	12	122,669	122,676
Reserves	13	(2,374)	(2,364)
Accumulated losses		(123,320)	(119,258)
Equity attributable to the owners of ASF Group Limited		(3,025)	1,054
Non-controlling interest		(1,811)	(1,349)
<b>Total equity</b>		(4,836)	(295)

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

	Issued capital \$'000	Reserves \$'000 (note 13)	Accumulated losses \$'000	Non-controlling interest \$'000	Total equity \$'000
<b>Consolidated</b>					
Balance at 1 July 2020	122,688	(2,260)	(116,025)	(1,246)	3,157
Loss after income tax expense for the year	-	-	(3,233)	(103)	(3,336)
Other comprehensive income for the year, net of tax	-	(104)	-	-	(104)
Total comprehensive income for the year	-	(104)	(3,233)	(103)	(3,440)
<i>Transactions with owners in their capacity as owners:</i>					
Share buy-back (note 12)	(12)	-	-	-	(12)
Balance at 30 June 2021	122,676	(2,364)	(119,258)	(1,349)	(295)

	Issued capital \$'000	Reserves \$'000 (note 13)	Accumulated losses \$'000	Non-controlling interest \$'000	Total equity \$'000
<b>Consolidated</b>					
Balance at 1 July 2021	122,676	(2,364)	(119,258)	(1,349)	(295)
Loss after income tax expense for the year	-	-	(4,062)	(462)	(4,524)
Other comprehensive income for the year, net of tax	-	(10)	-	-	(10)
Total comprehensive income for the year	-	(10)	(4,062)	(462)	(4,534)
<i>Transactions with owners in their capacity as owners:</i>					
Share buy-back (note 12)	(7)	-	-	-	(7)
Balance at 30 June 2022	122,669	(2,374)	(123,320)	(1,811)	(4,836)

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

Note	Consolidated	
	2022 \$'000	2021 \$'000
<b>Cash flows from operating activities</b>		
	2,199	1,893
	401	1,162
	(3,813)	(3,592)
	10	4
	-	(1,825)
16	<u>(1,203)</u>	<u>(2,358)</u>
<b>Cash flows from investing activities</b>		
7	(6)	(7)
8	(238)	(72)
	-	5
	-	19
	(200)	(300)
	300	1,640
	<u>(144)</u>	<u>1,285</u>
<b>Cash flows from financing activities</b>		
	2,000	1,800
12	(7)	(12)
	(284)	(446)
	<u>1,709</u>	<u>1,342</u>
	362	269
	4,041	3,833
	9	(61)
	<u>4,412</u>	<u>4,041</u>

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

**Note 1. Revenue and finance income**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Sales revenue</b>		
Commission revenue	1,641	613
Corporate services	559	916
	<u>2,200</u>	<u>1,529</u>
<b>Finance income</b>	<u>85</u>	<u>94</u>

**Note 2. Other income**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Gain on disposal of plant and equipment	-	8
Sundry income	103	485
R&D Rebate	203	797
Government grants	95	314
	<u>401</u>	<u>1,604</u>
Other income		

**Note 3. Expenses**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Leasehold improvements	1	1
Plant and equipment	22	27
Total depreciation	<u>23</u>	<u>28</u>
Amortisation - right of use assets	261	395
Total depreciation and amortisation	<u>284</u>	<u>423</u>

**Note 3. Expenses (continued)**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Impairment of non-financial assets</i>		
Impairment of financial assets at fair value through profit or loss	110	24
Loss on disposal of plant and equipment	-	5
Total Impairment of non-financial assets	110	29
<i>Impairment of financial assets</i>		
Allowance for expected credit loss	-	3
Total impairment (gain)/loss of financial assets	-	3
<i>Share of losses of associates</i>		
Rey Resources Limited	294	216
ActivEX Limited	346	131
Key Petroleum Limited	140	384
3D Bio-Tissues Ltd	232	155
BSF Enterprise PLC	46	-
UK International Innovation Centre Ltd	-	-
Total share of losses of associates	1,058	886
<i>Finance costs</i>		
Interest and finance charges paid/payable	2,046	1,796
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	59	(19)
<i>Superannuation expense</i>		
Defined contribution superannuation expense	94	90

**Note 4. Current assets - trade and other receivables**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade receivables	263	41
Other receivables	-	1
Loan receivable from associate – Key Petroleum Limited <sup>1</sup>	-	204
	-	205
	263	246

1. On 22 October 2020, the Company entered into a loan agreement with its associate, Key Petroleum Limited (ASX: KEY). Pursuant to the agreement the Company would provide an unsecured loan facility of \$250,000 to KEY at an interest rate of 10% per annum maturing 30 September 2021.

**Note 5. Non-current assets - other receivables**

	Consolidated	
	2022 \$'000	2021 \$'000
Deposits	117	122
Loan receivable from associate – Rey Resources Limited <sup>1</sup>	718	639
Loan receivable from associate – Key Petroleum Limited <sup>2</sup>	100	-
	<u>935</u>	<u>761</u>

- On 12 October 2017, the Group entered into a loan facility agreement with its associate, Rey Resources Limited (ASX: REY). Pursuant to the agreement the Group will provide up to \$1 million in standby funding for REY's exploration activities and general working capital for a term of one year. Interest will accrue at 12% per annum. The loan facility was subsequently increased to \$3.8 million and the maturity date extended to 31 December 2019. In April 2019, REY repaid \$2.5 million which remains available for re-draw before maturity. On 31 December 2019, the parties agreed to reduce the loan facility amount from \$3.8 million to \$2 million and to extend the maturity date to 31 March 2020 which has subsequently been further extended to 31 October 2023.
- On 28 April 2022, the Company entered into a loan facility agreement with KEY pursuant to which the Company would grant an unsecured loan facility of up to \$250,000 to KEY, which bears an interest rate of 10% per annum maturing 31 December 2023.

**Note 6. Non-current assets - investments accounted for using the equity method**

	Consolidated	
	2022 \$'000	2021 \$'000
Rey Resources Limited (ASX: REY)	8,804	9,098
ActivEX Limited (ASX: AIV)	621	968
Key Petroleum Limited (ASX: KEY)	451	676
3D Bio-Tissues Ltd <sup>1</sup>	-	735
BSF Enterprise PLC (LSE: BSFA) <sup>1</sup>	437	-
	<u>10,313</u>	<u>11,477</u>

- Upon successful completion of the reverse takeover of 3D Bio-Tissues Ltd ("3DBT") by BSF Enterprise PLC (LSE: BSFA), a publicly listed independent company incorporated in the UK, which had been re-admitted to the Official List on the London Stock Exchange's Main Market on 17 May 2022, 3DBT is now a 100% owned subsidiary of BSFA.

In consideration for the sale of the Company's interest in 3DBT to BSFA, BSF Angel Funding Limited, a subsidiary of the Company, received 16,610,944 fully paid ordinary shares representing approximately 19.36% of the issued capital of BSFA.

**Note 7. Non-current assets - property, plant and equipment**

	Consolidated	
	2022 \$'000	2021 \$'000
Leasehold improvements - at cost	154	154
Less: Accumulated depreciation	(153)	(152)
	1	2
Plant and equipment - at cost	427	417
Less: Accumulated depreciation	(368)	(342)
	59	75
	60	77

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Leasehold improvements \$'000	Plant and equipment \$'000	Motor Vehicles \$'000	Total \$'000
Balance at 1 July 2020	5	98	16	119
Additions	-	7	-	7
Disposal	(2)	(2)	(16)	(20)
Exchange differences	-	(1)	-	(1)
Depreciation expense	(1)	(27)	-	(28)
	2	75	-	77
Balance at 1 July 2021	2	75	-	77
Additions	-	6	-	6
Disposal	-	-	-	-
Exchange differences	-	-	-	-
Depreciation expense	(1)	(22)	-	(23)
	1	59	-	60
Balance at 30 June 2022	1	59	-	60



**Note 8. Non-current assets – intangibles**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Mining exploration and evaluation expenditures – at cost	3,585	3,347

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

<b>Consolidated</b>	Total \$'000
Balance at 1 July 2020	3,275
Additions	72
Write-off of assets	-
Balance at 30 June 2021	3,347
Additions	238
Write-off of assets	-
Balance at 30 June 2022	3,585

**Note 9. Current liabilities – trade and other payables**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade payables	77	76
Other payables	204	130
	280	206

**Note 10. Non-current liabilities - borrowings**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Convertible notes payable	23,955	19,950

*Convertible notes payable*

With the continuing support from Star Diamond Developments Limited (“Star Diamond”), on 18 June 2021 Star Diamond agreed to increase the loan facility by \$2 million to a total of \$25 million (“SD Facilities”) and to extend the maturity date of the SD Facilities for two years to 31 October 2023. As of 30 June 2022, a total of \$21.95 million SD Facilities has been drawn down with remaining \$3.05 million available for further draw down by the Company.

**Note 11. Leases**

	Consolidated	
	2022 \$'000	2021 \$'000
Right of use assets		
Opening balance	712	1,107
Amortisation	(260)	(395)
Closing balance	<u>452</u>	<u>712</u>
Lease liabilities		
Current	254	242
Non-current	201	455
Total lease liabilities	<u>455</u>	<u>697</u>

**Note 12. Equity - issued capital**

Consolidated	Consolidated			
	2022 Shares	2021 Shares	2022 \$'000	2021 \$'000
Ordinary shares – fully paid	792,573,774	792,726,289	122,669	122,676

*Movement in ordinary share capital*

Details	Date	Shares	Issue price	\$'000
Balance	30 June 2020	792,925,065		122,688
Share buy-back	1 July 2020 – 30 June 2021	<u>(198,776)</u>	\$0.060	<u>(12)</u>
Balance	30 June 2021	792,726,289		122,676
Share buy-back	1 July 2021 – 30 June 2022	<u>(152,515)</u>	\$0.044	<u>(7)</u>
Balance	30 June 2022	<u>792,573,774</u>		<u>122,669</u>

*Ordinary shares*

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

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

*Share buy-back*

During the year, the Company bought back 152,215 shares at a cost of \$7,000.

On 4 July 2022, the Company announced the extension of its on-market share buyback program for a further 12 months from 18 July 2022 and up to 79.2 million shares of the Company can be bought back over the next 12 months under the new buyback program.

**Note 13. Equity – reserves**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Foreign currency reserve	114	124
Non-controlling interests reserve	(2,802)	(2,802)
Capital reserve	314	314
	<u>          </u>	<u>          </u>
	<b>(2,374)</b>	<b>(2,364)</b>

*Foreign currency reserve*

The reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian dollars.

*Non-controlling interest reserve*

The reserve is used to recognise non-controlling interest arising from the disposal of subsidiaries.

*Capital reserve*

The capital reserve is used to recognise the equity component within convertible notes payable and other borrowings. It also includes the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid.

<b>Consolidated</b>	<b>Foreign currency reserve \$'000</b>	<b>Non- controlling interest reserve \$'000</b>	<b>Capital reserve \$'000</b>	<b>Total \$'000</b>
Balance at 1 July 2020	228	(2,802)	314	(2,260)
Foreign currency translation	(104)	-	-	(104)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Balance at 1 July 2021	124	(2,802)	314	(2,364)
Foreign currency translation	(10)	-	-	(10)
Balance at 30 June 2022	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<b>114</b>	<b>(2,802)</b>	<b>314</b>	<b>(2,374)</b>

**Note 14. Equity – dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.

**Note 15. Earnings per share**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Loss after income tax	(4,524)	(3,336)
Non-controlling interest	462	103
	<hr/>	<hr/>
Loss after income tax attributable to the owners of ASF Group Limited	(4,062)	(3,233)
	<hr/>	<hr/>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	792,690,658	792,789,766
	<hr/>	<hr/>
Weighted average number of ordinary shares used in calculating diluted earnings per share	792,690,658	792,789,766
	<hr/>	<hr/>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.51)	(0.41)
Diluted earnings per share	(0.51)	(0.41)

**Note 16. Cash flow information**

*Reconciliation of loss after income tax to net cash used in operating activities*

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Loss after income tax expense for the year	(4,524)	(3,336)
Adjustments for:		
Depreciation and amortisation	284	423
Share of loss - associates	1,058	886
Impairment (reversal)/loss of investment in associates	-	(403)
Loss/(Gain) on disposal of property, plant and equipment	-	2
Bad debts	-	3
Net fair value loss on investments	110	24
Interest expense	2,046	(29)
(Gain)/Loss on disposal of investment	-	(5)
Change in operating assets and liabilities:		
Decrease in trade and other receivables	(288)	186
Decrease in trade and other payables	111	(109)
	<hr/>	<hr/>
Net cash used in operating activities	(1,203)	(2,358)
	<hr/>	<hr/>

**Note 16. Cash flow information (continued)**

*Changes in liabilities arising from financing activities*

<b>Consolidated</b>	<b>Convertible notes \$'000</b>	<b>Loan payable \$'000</b>	<b>Other loans \$'000</b>	<b>Total \$'000</b>
Balance at 30 June 2020	18,156	-	-	18,156
Net cash (used in)/from financing activities	-	-	-	-
Loan drawdown	1,800	-	-	1,800
Interest payable	1,819	-	-	1,819
Repayment of interest	(1,825)	-	-	(1,825)
Balance at 30 June 2021	19,950	-	-	19,950
Net cash (used in)/from financing activities	-	-	-	-
Loan drawdown	2,000	-	-	2,000
Interest payable	2,005	-	-	2,005
Repayment of interest	-	-	-	-
Balance at 30 June 2022	<u>23,955</u>	<u>-</u>	<u>-</u>	<u>23,955</u>

**Note 17. Events after the reporting period**

On 4 July 2022, the Company announced the extension of its on-market share buyback program for a further 12 months from 18 July 2022 and up to 79.2 million shares of the Company can be bought back over the next 12 months under the new buyback program.

No other matters or circumstances that have arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.