MR EXPLORATION PNG PTE. LTD

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED
31 December 2020

MR EXPLORATION PNG PTE. LTD AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended December 31, 2020 and the year ended June 30, 2020

	Note	**Six-month period ended December 31 2020 A$**	Year-ended June 30 2020 A$
Revenue and other income		**-**	-
Less: expenses			
Office rent, utilities and maintenance		**(30,025)**	**(86,490)**
Foreign exchange gains/(losses)		**(153)**	**20,917**
Travel expenses		**(4,395)**	**(18,002)**
Motor vehicle expenses		**(10,165)**	**(13,932)**
Auditors' remuneration	6	**(25,000)**	**(7,658)**
Consultants' fees		**(4,203)**	**(10,728)**
Other operating expenses		**(3,946)**	**(62,995)**
Finance expenses		**(225)**	**(592)**
Loss before income tax expense		**(78,112)**	**(179,480)**
Tax expense	8	**-**	**-**
Loss for the year		**(78,112)**	**(179,480)**
Other comprehensive income for the year, net of tax		**-**	**-**
Total comprehensive loss for the year		**(78,112)**	**(179,480)**
Basic and diluted loss per share (cents)	23	**(0.10)**	(0.23)

Nature and continuance of operations (Note 1)
Subsequent event (Note 24)

Approved on Behalf of the Board on April 30, 2021

"Frank Terranova"
Frank Terranova – Director

"Timothy Crossley"
Timothy Crossley – Director

The accompanying notes form an integral part of these financial statements.

MR EXPLORATION PNG PTE. LTD AND ITS SUBSIDIARY
CONSOLIDATED BALANCE SHEET
As of December 31, 2020

	Note	**December 31, 2020 A$**	**June 30 2020 A$**
Non-current assets			
Exploration and evaluation expenditure	9	**2,789,437**	2,717,342
Advances to related parties	11	**1,252,605**	1,321,165
Total non-current assets		**4,042,042**	4,038,507
Current assets			
Cash and cash equivalents	12	**81,117**	56,442
Other receivables	13	**24,644**	24,488
Total current assets		**105,761**	80,930
Total assets		**4,147,803**	4,119,437
Current liabilities			
Trade and other payables	14	**43,234**	13,294
Advances from related parties	15	**8,068,525**	7,991,987
Total current liabilities		**8,111,759**	8,005,281
Total liabilities		**8,111,759**	8,005,281
Net assets		**(3,963,956)**	(3,885,844)
Equity			
Share capital	16	**2,666,749**	2,666,749
Reserves		**28,380**	28,380
Accumulated losses		**(6,659,085)**	(6,580,973)
Total equity		**(3,963,956)**	(3,885,844)

The accompanying notes form an integral part of these financial statements.

MR EXPLORATION PNG PTE. LTD AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended December 31, 2020 and the year ended June 30, 2020

Six-month period ended December 31, 2020	**Share capital** A$	**Reserves** A$	**Accumulated losses** A$	**Total Equity** A$
Balance as at July 1, 2020	2,666,749	28,380	(6,580,973)	(3,885,844)
Total comprehensive loss for the period	-	-	(78,112)	(78,112)
Balance as at December 31, 2020	**2,666,749**	**28,380**	**(6,659,085)**	**(3,963,956)**

Year-ended June 30, 2020	**Share capital** A$	**Reserves** A$	**Accumulated losses** A$	**Total Equity** A$
Balance as at July 1, 2019	2,666,749	28,380	(6,401,493)	(3,706,364)
Total comprehensive loss for the year	-	-	(179,480)	(179,480)
Balance as at June 30, 2020	**2,666,749**	**28,380**	**(6,580,973)**	**(3,885,844)**

The accompanying notes form an integral part of these financial statements.

MR EXPLORATION PNG PTE. LTD AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended December 31, 2020 and the year ended June 30, 2020

	Note	**Six-month period ended December 31, 2020 A$**	Year-ended June 30, 2020 A$
Loss before tax		(78,112)	(179,480)
Adjustments for:			
Unrealised foreign exchange gain/(loss)		526	(21,654)
Total adjustments		526	(21,654)
Operating cash flows before changes in working capital		(77,586)	(201,134)
Changes in working capital:			
Increase in other receivables		(156)	(10,580)
Increase in trade and other payables		29,940	674
Payables to be capitalized to exploration costs		(9,997)	(686)
Total changes in working capital		19,787	(10,592)
Cash flows used in operations		(57,799)	(211,726)
Interest received		-	-
Net cash flows used in operating activities		(57,799)	(211,726)
Cash flow from investing activities			
Payments for exploration and evaluation expenditure		(62,156)	(192,275)
Amounts recovered from related parties	11	68,560	70,857
Net cash used in investing activities		6,404	(121,418)
Cash flow from financing activities			
Advances from related parties	15	76,538	209,553
Net cash provided by financing activities		76,538	209,553
Reconciliation of cash and cash equivalents			
Cash and cash equivalents at beginning of financial year		56,442	158,367
Net increase in cash and cash equivalents		25,143	(123,591)
Foreign exchange difference on cash and cash equivalents		(468)	21,666
Cash and cash equivalents at end of financial year	12	**81,117**	56,442

The accompanying notes form an integral part of these financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

MR Exploration PNG PTE. Ltd (the "Company") (Co. Reg. No. 201115878Z), is a limited liability company incorporated in Singapore. with its registered office at 100 Tras Street, #16-01 100 AM, Singapore 079027. The Company is a wholly owned subsidiary of Mayur Resources Limited ("Mayur"), a Company incorporated in Singapore and listed on the Australian Stock Exchange.

The principal activity of the Company and its wholly owned subsidiary Mayur Exploration PNG Limited, a company incorporated in Papua New Guinea ("PNG"), is the exploration and evaluation of copper and gold projects in PNG..

As described in Note 24, subsequent to December 31, 2020, Mayur completed a transaction (the "RTO Transaction") on February 18, 2021 with XIB I Capital Corp ("XIB"), a Company listed on the Toronto Stock Venture Exchange ("TSXV") whereby XIB acquired all of the issued and outstanding capital of the Company. Concurrently with the closing of the RTO Transaction, XIB changed its name to Adyton Resources Corporation ("Adyton").

As at 31 December 2020 the Group had net liabilities of A$3,963,956 (June 30 2020: A$3,885,844). For the going concern basis to be appropriate the Group will require the continued financial support of its shareholder, so as to enable the Group to meet its liabilities as and when they fall due in the ordinary course of business. As described in Note 24, the Company became a legal subsidiary of Adyton through an RTO Transaction completed on February 18, 2021, in which the Company is considered to be the accounting acquiror. The RTO Transaction included financings totalling CA$10.75 million for Adyton. The Company has no direct sources of revenues or cash inflows. As it controls Adyton via the RTO, the Company has access to funding , as required, from Adyton, which is expected to be sufficient to fund the Company's committed activities for at least the next twelve months.

In March 2020, the World Health Organisation declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, have adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements were authorized for issue by the Board of Directors on April 30,2021.

3. BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis, except for financial instruments measured at their fair value. The financial statements are presented in Australian dollars, which is also the Company's functional currency. In addition, the financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) New and revised standards

The Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after July 1, 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial period ended December 31, 2020 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

b) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of the subsidiary of MR Exploration PNG PTE. Ltd ("Company" or "parent entity") as at December 31, 2020 and the results of the subsidiary for the year then ended. MR Exploration PNG PTE. Ltd and its subsidiary together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Intragroup balances and transactions, including income, expenses, and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions are eliminated in full.

In the Company’s balance sheet, investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of the investments, the difference between disposal proceeds and the carrying amount of the investments are recognised in profit or loss.

The financial statements of the subsidiary are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

c) Foreign currency

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements of the Group and the Company are presented in Australian dollar, which is the Company’s functional currency.

Transactions and balances

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for currency translation differences on net investment in foreign operations and borrowings and other currency instruments qualifying as net investment hedges for foreign operations, which are included in the currency transaction reserve within equity in the consolidated financial statements.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Interest income is recognised when it becomes receivable on a proportional basis taking in to account the interest rates applicable to the financial assets.

e) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided using the liability method, on all temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss

Deferred income tax is provided on temporary differences arising on investment in subsidiaries except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the balance sheet date.

f) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts, if any, that form an integral part of the Group’s cash management.

g) Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Contingencies

A contingent liability is:

a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

b) a present obligation that arises from past events but is not recognised because:

   (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
   (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

i) Financial assets

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost of fair value, depending on the classification of the financial assets. The Group classifies its financial assets based on the Group's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets. The Group's financial assets are classified at amortised cost which comprise other receivables and cash and cash equivalents.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Financial assets (continued)

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

Financial assets and liabilities are offset and the net amount presented on the balance sheet when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

j) Financial liabilities

Financial liabilities include trade and other payables. Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost, comprising original debt less principal payments and amortisation.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process. Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

k) Impairment of non-financial assets

At each reporting date, the Group and the Company review the carrying amounts of its non-financial 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). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs.

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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so 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 (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss.

l) Property plant and equipment

Property, plant and equipment are stated at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Property plant and equipment (continued)

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the profit or loss; any amount in revaluation reserve relating to that asset is transferred to accumulated profits directly.

The depreciable amount of all property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held ready for use. Fully depreciated assets are retained in the financial statements until they are no longer in use.

The residual values, estimated useful lives and depreciation method are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in the profit or loss when the changes arise.

m) Exploration and evaluation expenditure

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained legal rights to explore an area are expensed in the profit or loss.

Exploration and evaluation assets are only recognised if the rights to the area of interest are current and either:

(i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest or by its sale; or
(ii) activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability and the facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash-generating unit shall not be larger than the area of interest.

Once technical feasibility and commercial viability of the area of interest are demonstrable, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified from exploration and evaluation assets to property and development assets within property, plant and equipment.

n) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incurs expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the directors.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o) Provisions for other liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the balance sheet date. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGEMENTS

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of exploration and evaluation expenditure

At December 31, 2020, the carrying value of exploration and evaluation assets of the Group was A$2,789,437 (2019: A$2,717,342). Exploration and evaluation assets are assessed for impairment in accordance with the accounting policy disclosed in Note 4(k). The accounting policy requires management to make certain estimates and assumptions as to future events and circumstances. These estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the accounting policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be expensed in the statement of profit or loss and other comprehensive income.

Deferred tax assets

No members of the Group have generated taxable income in the financial year and as such the Group continues to carry forward tax losses that give rise to deferred tax assets. Given that the Group's projects remain in early exploration stages, it is unlikely that the Group will generate taxable income in the foreseeable future in the absence of asset sales.

Taking account of the above, the deferred tax assets have not been recognised in the financial statements as management does not believe that the members of the Group satisfy the recognition criteria set out in IFRS 112.

Calculation of loss allowance

When measuring the expected credit loss ("ECL"), the Group and Company use reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions, and expectations of future conditions.

As the calculations of loss allowances on other receivables and receivables from related parties are subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of receivables. Details of ECL measurement and carrying value of other receivables and receivables from subsidiaries at the end of the year are disclosed in Notes 11 and 13 respectively.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGEMENTS

In the process of applying the Group's accounting policies, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations which are described in the preceding paragraphs).

Exploration and evaluation expenditure

As at December 31, 2020, two of the mineral exploration licenses to which the exploration and evaluation assets of the Group relate had expired and was under application for renewal. The Group believes it has complied with all license conditions, including minimum expenditure requirements, and is not aware of any matters or circumstances that have arisen that would result in the application for renewal of the exploration license not being granted in the ordinary course of business. The Group has determined that no impairment of the capitalised exploration and evaluation expenditure relating to this exploration license is necessary as it is considered that there is a reasonable basis to expect that the renewal application will be granted and that the Group is otherwise proceeding with exploration and development activities on the exploration license. Should the exploration license not be renewed, the relevant capitalised amount will be expensed in the statement of profit or loss and other comprehensive income.

6. AUDITOR'S REMUNERATION

	Six months ended December 31, 2020 A$	Year-ended June 30, 2020 A$
Audit fees:		
- Auditor of the Company	**25,000**	**7,658**
	25,000	**7,658**

There are no non-audit fees paid to other auditors in the six-month period ended December 31, 2020 and year ended June 30, 2020.

7. SEGMENT INFORMATION

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

For management purposes, the Group is reported as one business unit being Copper and gold comprising the Group's interests in the Feni Island Project in the New Ireland Province of Papua New Guinea, the Basilaki / Sideia project in Milne Bay Province and the Sitipu Project in the Eastern Highlands province of Papua New Guinea.

The consolidated entity operates in a single geographic location, Papua New Guinea.

8. TAX EXPENSE

	Six months ended December 31, 2020 A$	Year-ended 30 June 2020 A$
Tax expense attributable to loss of the Group is made up of:		
Current year income tax	**–**	–

The Company is an Australian resident for tax purposes. The income tax expense on the results of the financial year therefore varies from the amount of income tax determined by applying the Singapore statutory rate of income tax to loss before tax.

8. TAX EXPENSE (continued)

	Six months ended December 31, 2020	Year-ended 30 June 2020
	A$	A$
Loss before income tax	**(78,112)**	**(179,480)**
Tax calculated at a tax rate of 27.5% (2019: 27.5%)	**(21,480)**	**(49,357)**
Expenses not deductible for tax purposes	**-**	**3,866**
Temporary differences	**6,875**	**(2,031)**
Deferred tax assets not recognised	**14,606**	**47,522**
	-	-

9. EXPLORATION AND EVALUATION EXPENDITURE

	December 31, 2020	June 30, 2020
	A$	A$
Exploration and evaluation phases	**2,789,437**	2,717,342

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Movements in exploration and evaluation assets during the financial year are summarised below:

	December 31, 2020	June 30, 2020
	A$	A$
Balance at beginning of the period	**2,717,342**	2,494,720
Exploration and evaluation expenditure capitalised during the financial year (i)	**72,095**	222,622
Balance at end of the period	**2,789,437**	2,717,342

(i) Includes $23,783 (year-ended June 30, 2020: $29,672) in costs settled by way of share-based payments by the ultimate parent entity.

10. SUBSIDIARIES

The below table presents the Group's ownership interests in subsidiaries as at December 31, 2020 and June 30, 2020.

Subsidiary	**Country of incorporation**	**Principal activity**	**Effective ownership interest held by the Group**	
			December 31, 2020	June 30, 2020
			%	%
Mayur Exploration PNG Limited	Papua New Guinea	Mineral exploration	**100**	100

11. ADVANCES TO RELATED PARTIES

	December 31, 2020 A$	June 30, 2020 A$
Advances to related parties	**1,252,605**	1,321,165

Parent entity
MR Exploration PNG Pte Ltd and its subsidiary are a sub-group of the Mayur Resources Group.

The ultimate parent entity is Mayur Resources Limited, incorporated in Singapore, which holds one hundred percent of the issued share capital of MR Exploration PNG Pte Ltd.

Mayur Resources provides MR Exploration PNG Pte Ltd and its subsidiary with corporate support, administration and funding to meet planned exploration and evaluation activities. Funds for exploration and evaluation activities are provided through an intercompany loan. Refer Note 15 'Advances from Related Parties' for further details.

Advances to related parties
The advances provided to other group entities are unsecured, with no provisions for interest or repayment.

Transactions between the Company and related parties occurred during the ordinary course of the business and were in accordance with the Company's usual commercial terms and conditions.

Movements in advances to related parties during the period were as follows:

	Six months ended December 31, 2020 A$	Year-ended 30 June 2020 A$
Balance at the beginning of the period	**1,321,165**	1,392,022
Principal amounts (recovered)/loaned	**(68,560)**	(70,857)
Balance at the end of the period	**1,252,605**	1,321,165

12. CASH AND CASH EQUIVALENTS

	December 31, 2020 A$	June 30, 2020 A$
Unrestricted bank balances	**81,117**	56,442
	81,117	56,442

13. OTHER RECEIVABLES

	December 31, 2020 A$	June 30, 2020 A$
Goods and services tax receivables	**21,631**	21,058
Other current receivables	**3,013**	3,430
	24,644	24,488

Receivables are current in nature. No provision for doubtful debts has been recognised.

14. TRADE AND OTHER PAYABLES

	December 31, 2020 A$	June 30, 2020 A$
Trade creditors	**5,869**	929
Accrued expenses	**37,365**	12,365
	43,234	13,294

Trade payables and accruals are unsecured, non-interest bearing and due 30 days from the date of recognition.

15. ADVANCES FROM RELATED PARTIES

	December 31, 2020 A$	June 30, 2020 A$
Advance from ultimate holding company	**7,989,146**	7,963,975
Advances from other group entities	**79,379**	28,012
	8,068,525	7,991,987

Movements in advance from ultimate holding company during the year were as follows:

Balance at the beginning of the period	**7,963,975**	7,749,546
Principal amounts drawn down (i)	**25,171**	214,429
Balance at the end of the period	**7,989,146**	7,963,975

Movements in advance from other group entities during the year were as follows:

Balance at beginning of the period	**28,012**	3,215
Principal amounts drawn down /(reimbursed)	**51,367**	24,797
Balance at the end of the period	**79,379**	28,012

(i) Includes $23,783 (year-ended June 30, 2020: $29,672) in costs settled by way of share-based payments by the ultimate parent entity.

The loans due to the ultimate holding company and other group entities are unsecured, with no provisions for interest or repayment.

Transactions between the Company and related parties occurred during the course of the business and were in accordance with the Company's usual commercial terms and conditions.

16. SHARE CAPITAL

	December 31, 2020 A$	June 30, 2020 A$
Issued and fully paid-up capital		
Share capital	**2,666,749**	2,666,749

Ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

17. CAPITAL COMMITMENTS

In order to maintain current rights of tenure to exploration tenements, including tenements that had expired and were the subject of renewal applications by the Group as at December 31, 2020, the Group is required to perform exploration work to meet minimum expenditure requirements as specified by the Papua New Guinea Mineral Resources Authority. The following table sets out the minimum expenditure commitments:

	December 31, 2020 A$	June 30, 2020 A$
Payable:		
- not later than one year	**105,950**	44,579
- later than one year and not later than five years	**80,537**	29,033
	186,487	73,612

18. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise cash and cash equivalents, receivables and trade and other payables. The Group does not currently have any projects in production and as such the main purpose of these financial instruments is to provide liquidity to finance the Group's development and exploration activities. It is, and has been throughout the financial year, the Group's policy that no trading in speculative financial instruments shall be undertaken. The main risks arising from the Group's use of financial instruments are foreign currency risk, interest rate risk, credit risk and liquidity risk. During the financial year, the Group has had some transactional currency exposures, principally to the Papua New Guinea Kina ("PGK"). The Group has not entered into forward currency contracts to hedge these exposures due to the short time frame associated with the currency exposure and the relatively modest overall exposure at any one point in time.

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 and financial liability are disclosed in Note 4. Primary responsibility for identification and control of financial risk rests with the Board of Directors. However, the day-to-day management of these risks is under the control of the Managing Director. The Board agrees the strategy for managing future cash flow requirements and projections.

a) Categories of financial instruments

The carrying values of the Group's financial instruments at the balance sheet date are as follows:

	31 Dec 2020 A$	30 June 2020 A$
Financial assets		
Financial assets at amortised cost	**1,336,735**	1,381,036
Financial liabilities		
Financial liabilities at amortised cost	**8,111,759**	8,005,281

b) Foreign currency risk

The Group is exposed to foreign currency risk mainly arising from various currency exposures, including Papua New Guinea Kina ("PGK"). The Group's policy is to convert its local currency to the foreign currency at the time of the transaction. Foreign currency risk arises from future commercial transactions.

The Group manages foreign currency risk on an as-needs basis. The risk is measured using sensitivity analysis and cash-flow forecasting. The Group's exposure to foreign currency risk, expressed in Australian dollars at the reporting date, was as follows:

18. FINANCIAL RISK MANAGEMENT (continued)

b) Foreign currency risk (continued)

	December 31, 2020 PGK	June 30, 2020 PGK
Financial assets		
Cash and cash equivalents	**80,963**	**56,288**
Net currencies exposure	**64,520**	**50,201**

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. A positive number in the table represents a decrease in the operating loss after tax and increase equity where the Australian dollar strengthens against the relevant currency. For a 10% weakening of the Australian dollar against the relevant currency, there would be a comparable impact on the loss or equity, and the balances below would be negative.

	PGK	
	December 31 2020 A$	June 30 2020 A$
Loss after tax and equity		
- 10% increase	6,452	5,020
- 10% decrease	(6,452)	(5,020)

c) Interest rate risk

The Group's exposure to interest rate risk arises predominantly from cash and cash equivalents bearing variable interest rates. At the end of the reporting period, the Group maintained the following variable rate accounts:

	December 31, 2020		June 30, 2020	
	Weighted average interest rate %	**Balance A$**	Weighted average interest rate %	Balance A$
Cash and cash equivalents	**0.5**	**81,117**	0.5	56,442

At the end of the reporting period, if the interest rates had changed, as illustrated in the table below, with all other variables remaining constant, after-tax (loss) / profit and equity would have been affected as follows:

	After-tax loss (higher)/lower		**Equity (higher)/lower**	
	December 31 2020 A$	June 30 2020 A$	**December 31 2020 A$**	June 30 2020 A$
Dec 2020 +0.5% (50bp) / (June 2020 +0.5%)	406	282	406	282
Dec 2020 -0.5% (50bp) / (June 2020 -0.5%)	(406)	(282)	(406)	(282)

18. FINANCIAL RISK MANAGEMENT (continued)

d) Credit risk

Credit risk primarily arises from cash and cash equivalents and term deposits deposited with banks and receivables from related parties. Cash and cash equivalents and term deposits are primarily placed with reputable financial institutions.

The carrying amount of receivables from related parties and cash and cash equivalents represent the Group and the Company's maximum exposure to credit risk in relation to financial assets. At the balance sheet date, there are no financial assets that are past due or impaired.

e) Liquidity risk

The ability of Group to operate as a going concern and meet its obligations as and when they fall due is principally dependent upon the ongoing support from its shareholders, the ability of the Group to successfully raise capital as and when necessary and the ability to complete successful exploration and subsequent exploitation of the areas of interest. This is to ensure the continuance of its activities and to meet its financial obligations as and when they fall due.

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents in order to meet the Group's forecast requirements. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in bank deposits. At reporting date, the Group did not have access to any undrawn borrowing facilities.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

	Less than 1 year A$
December 31, 2020	
Trade and other payables	43,234
Amount due to shareholders	8,068,525
	8,111,759
June 30, 2020	
Trade and other payables	13,294
Amount due to shareholders	7,991,987
	8,005,281

f) Fair value estimation

The carrying amount of financial assets (net of any allowance for impairment) and financial liabilities are assumed to approximate their fair values primarily due to their short maturities.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

19. PARENT ENTITY NOTE

Information relating to MR Exploration PNG PTE. Ltd ('the Parent Entity'):

	31 Dec 2020 A$	30 June 2020 A$
Statement of financial position		
Current assets	154	154
Total assets	155	155
Current liabilities	(4,942,873)	(4,920,477)
Total liabilities	(4,942,873)	(4,920,477)
Net assets	(4,942,718)	(4,920,322)
Issued capital	2,666,749	2,666,749
Reserves	28,380	28,380
Accumulated losses	(7,637,847)	(7,615,451)
Total equity	(4,942,718)	(4,920,322)
Statement of profit or loss and other comprehensive income		
Loss for the year	(22,396)	(14,057)
Other comprehensive loss	(22,396)	(14,057)
Total comprehensive loss	(22,396)	(14,057)

The Parent Entity has no capital commitments at 31 December 2020 (30 June 2020: $Nil).
The Parent Entity had no contingent liabilities at 31 December 2020 (30 June 2020: $Nil).

20. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern to provide returns for shareholders and maintain an optimal capital structure to reduce the cost of capital.

The Group defines capital as being share capital plus reserves. The Board of Directors monitors the level of capital as compared to the Group's long-term debt commitments.

The Group is not subject to any externally imposed capital requirements.

No changes were made to the Group's and the Company's capital management objectives or policies during the six months ended December 31, 2020 and the year eneded June 30, 2020.

21. RELATED PARTY TRANSACTIONS

Advances to and from related parties

Advances between the Company and other related parties in the Mayur Resource Group occurred during the course of the business and were in accordance with the Company's usual commercial terms and conditions. Refer notes 11 and 15.

22. CONTINGENT LIABILITIES

The directors are not aware of any contingent liabilities which existed at the date of this report.

23. EARNINGS PER SHARE

The following reflects the operating loss after tax and number of shares used in the calculation of the basic and diluted earnings/(loss) per share.

	31 Dec 2020 A$	30 June 2020 A$
Loss per share (cents)	(0.10)	(0.23)
Diluted loss per share (cents)	(0.10)	(0.23)
Loss attributable to Owners of MR Exploration PNG Pte. Ltd	**(78,112)**	**(179,480)**
	Shares	**Shares**
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	76,923,077	76,923,077

24. SUBSEQUENT EVENTS – RTO TRANSACTION

Except for the matters noted below, there has been no other matter or circumstance which has arisen since the end of the year that has significantly affected, or may significantly affect the Group's operations, the result of those operations or the Group's state of affairs.

On November 12, 2020 the Company and its parent entity Mayur Resources Limited ("Mayur") entered into a definitive share purchase agreement with XIB I Capital Corp (subsequently renamed Adyton Resources Corporation) ("Adyton"), and Mayur's wholly-owned subsidiary Adyton Resources Finance Company Ltd. ("Adyton Financeco"), in respect of which Adyton agreed to acquire all of the issued and outstanding shares of the Company in consideration for the issuance of an aggregate of 71,666,666 common shares of Adyton to the shareholders of the Company ("SPA").

Prior to, and as a condition to the completion of, the closing of the SPA, the Company acquired all of the issued and outstanding shares of Ballygowan and Pacific Arc from their shareholders in return for the issue of 26,442,308 shares of MRE (the "Acquisitions") pursuant to \ definitive share sale agreement dated October 1, 2020 by the Company, Mayur , Ballygowan, Pacific Arc and the shareholders of Ballygowan and Pacific Arc ("Acquisition Agreement"). Ballygowan holds certain exploration properties in Papua New Guinea. Pacific Arc holds an exploration property in Papua New Guinea.

In connection with the SPA and the Acquisition Agreement, and as a condition precedent to the completion of those agreements, Adyton completed financings to raise gross proceeds of approximately C$10.75 million by issuing 48,092,220 Adyton common shares ("Financings") less capital raising costs, including brokerage fees and legal fees amounting to $1.3 million.

Prior to, and as a condition to the completion of, the closing of the SPA, the net amount of Advances to Related Parties and the Advances From Related Parties recorded in the balance sheets of the Company and its subsidiary were the subject of a commercial debt forgiveness by Mayur Resources Limited. The amount of the commercial debt forgives will be disclosed as other income in the Statement of Profit or Loss and Other Comprehensive Income.

Together, the SPA, the Acquisition Agreement and the Financings comprise the RTO Transaction which was completed on February 18, 2021. Upon completion of the RTO Transaction, the Company became a wholly-owned subsidiary of Adyton and Ballygowan and Pacific Arc became wholly-owned subsidiaries of the Company.

24. SUBSEQUENT EVENTS – RTO TRANSACTION (continued)

The RTO Transaction is considered to be a reverse acquisition whereby the Company, legally a wholly-owned subsidiary of Adyton, is considered to be the accounting acquirer of the assets and liabilities of Adyton and of Ballygowan and Pacific and is considered to be the continuing entity for accounting purposes. As such, the assets and liabilities of the Company will continue to be accounted for at their carrying amounts and the assets and liabilities of Adyton, Ballygowan and Pacific Arc will be accounted for at fair value on acquisition.

PITCHER PARTNERS

Level 38, 345 Queen Street
Brisbane, QLD 4000

Postal address
GPO Box 1144
Brisbane, QLD 4001

p. +61 7 3222 8444

Independent Auditor's Report to the Members of MR Exploration PNG Pte Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of MR Exploration PNG Pte Ltd ("the Company") and its controlled entity ("the Group"), which comprises the consolidated statement of financial position as at December 31, 2020 and June 30, 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six months ended December 31, 2020 and year ended June 30, 2020, 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 Group presents fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and June 30, 2020 and its consolidated financial performance and its consolidated cash flows for the 6 months and year then ended, respectively, in accordance with the International Financial Reporting Standards (IFRSs).

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge of the audit, or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information we are required to report this fact in this auditor's report. We have nothing to report in this regard.

NIGEL FISCHER MARK NICHOLSON | PETER CAMENZULI JASON EVANS | KYLIE LAMPRECHT NORMAN THURECHT | BRETT HEADRICK WARWICK FACE | COLE WILKINSON SIMON CHUN | JEREMY JONES TOM SPLATT | JAMES FIELD DANIEL COLWELL | ROBYN COOPER FELICITY CRIMSTON | CHERYL MASON KIERAN WALLIS | MURRAY GRAHAM

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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 ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial

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statements. We are responsible for the direction, supervision and performance of the Group 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.

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.

Pitcher Partners

PITCHER PARTNERS

J. Evans

JASON EVANS
Partner

Brisbane, Queensland
April 30, 2021

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