



**ORA**  
GOLD LIMITED

ANNUAL REPORT  
2019

# CORPORATE DIRECTORY

## DIRECTORS

**Rick W Crabb**  
Non-Executive Chairman

**Frank DeMarte**  
Executive Director

**Malcolm R J Randall**  
Non-Executive Director

**Philip G Crabb**  
Non-Executive Director

**Philip F Bruce**  
Non-Executive Director

## SECRETARY

Frank DeMarte

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## ASX ADDITIONAL INFORMATION

The Annual Report covers both Ora Gold Limited as an individual entity and the Consolidated Entity consisting of Ora Gold Limited and its controlled entities.

## CHAIRMAN'S LETTER

Dear Shareholder

It gives me great pleasure to present the 2019 Annual Report for Ora Gold Limited (Company)(formerly Thundelarra Limited), my first as Chairman.

The past 12 months have continued to be a challenging time for explorers but through perseverance with the Board's strategy on its projects near Meekatharra, positive results are now being achieved.

In October 2018, the Company announced the signing of a binding Sale Agreement to acquire the Abbotts gold exploration project from Doray Minerals Limited. The Abbotts gold project comprises of 13 granted tenements that cover approximately 400 square kilometres, surrounds and abuts the Company's Garden Gully project and provides the Company with a combined project area of approximately 530 square kilometres.

The drilling since undertaken on the Abbotts Gold Project confirmed the Eastern Zone to be a high grade, near-vertical, north-plunging zone within a well-defined mineralised structure and beneath historical mining of 1,000 strike length.

Importantly, the close spaced drilling to 100m depth and other focused work on the Crown Prince Prospect at Garden Gulley culminated in the Company announcing on 21 October 2019, an upgraded total resource of 479,000 tonnes at 3.6 g/t gold for 56,000 ounces of gold and on 11 December 2019, the results of a Scoping Study indicating a potentially economic open pit and a Production Target of 177,500t at 4.1g/t (97% Indicated Resource gold content).

Additional information on the exploration activities carried out on the Group's various gold projects are provided in the Review of Operations section of the Annual Report.

There were also a number of corporate changes during the last financial period. In January 2019, it was announced that the Company had agreed with its Chief Executive Officer, Tony Lofthouse, that his Executive Services Agreement would come to an end on 30 April 2019. On 1 March 2019, Philip Bruce was appointed as an additional Non-executive Director and I assumed the role as Chairman with Philip Crabb remaining a Non-executive Director.

During the year, an entity associated with Philip Crabb has provided a financial loan facility on arm's length terms to the Company of up to \$2,000,000 for working capital. The independent directors decided to accept Phil's generous offer of the loan facility to enable important drilling and technical studies to be undertaken on the existing Garden Gulley prospects, rather than undertaking fundraising by the issue of securities until the results of such work were known and market conditions more appropriate. On behalf of the Board and shareholders, I sincerely thank Phil for his support.

I would like to take this opportunity to thank our hard-working management team, Board of Directors and our geological and administrative staff. Also, thank you to you our loyal Shareholders for your continued faith in what we are trying to achieve. I ask that you support the resolutions proposed for the Annual General Meeting and respond by having your proxies voting in favour of those resolutions lodged at an early date.

The 2020 financial period will see further focussed activity by your Company with the principal goals of readying Crown Prince for mining and continuing exploration at the other priority target areas.



Rick W Crabb  
Chairman

## REVIEW OF OPERATIONS

### Highlights

- Amalgamation of a large portfolio of tenements on the Abbots Greenstone Belt north-west of Meekatharra, Western Australia for the first time under a single company allowing regional compilation and interpretation of all historical data and the application of modern exploration techniques across the entire geological setting
- Abbots Greenstone Belt hosts a large gold and base metal mineralised system with numerous gold and base metal prospects from early stage to advanced projects, which are under-explored and with high grade intersections only partially followed up
- Company strategy is focussed on generating early cash flow from existing gold deposits on the Abbots Greenstone Belt while exploring for large deposits
- Gold projects with near-term development potential are Abbots, Crown Prince, Lydia, Transylvania and Abernethy priority areas
- Drilling of Abbots Gold Project confirmed the Eastern Zone to be a high grade, near-vertical, north-plunging zone within a well-defined mineralised structure and beneath historical mining of 1,000m strike length
- Near surface mineralisation at Abbots Gold Project requires further delineation for open pit development, particularly at cross-cutting fault intersections
- Crown Prince Mineral Resource estimation (21 October 2019) supports feasibility study to develop high grade open pit:

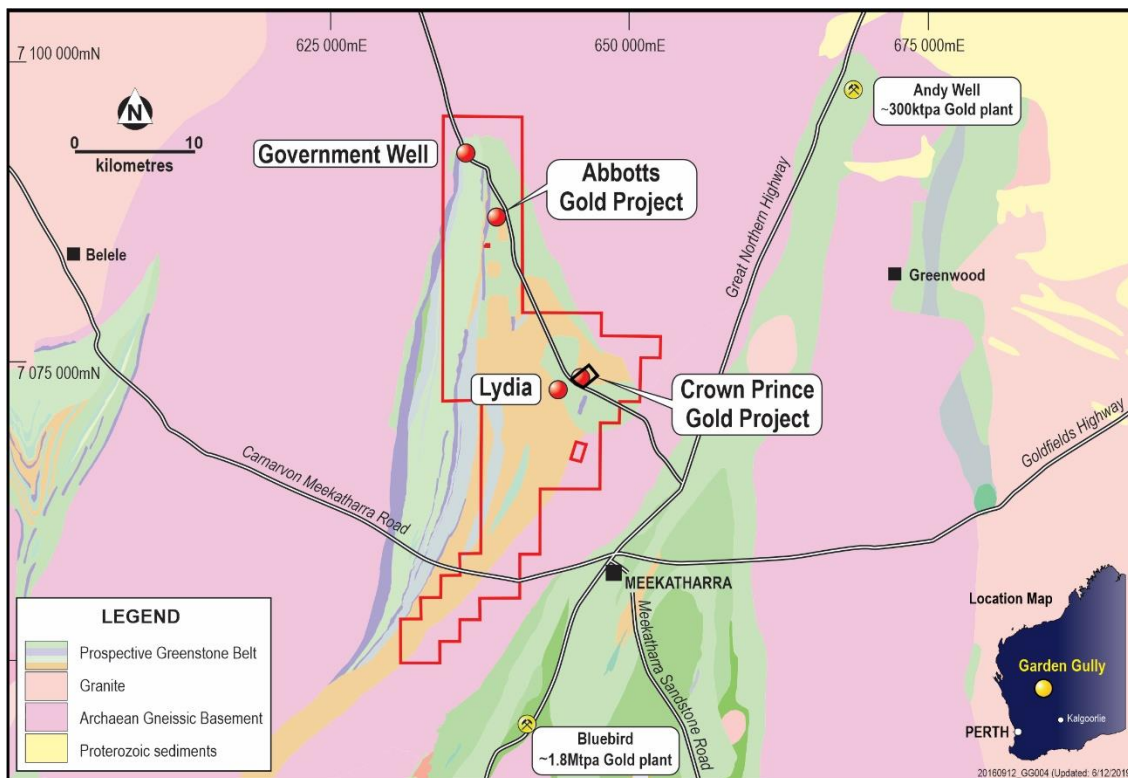
Indicated Resource	218,000 tonnes at 4.3g/t Au for 30,000 ounces
Inferred Resource	261,000 tonnes at 3.1g/t Au for 26,000 ounces
Total Resource	479,000 tonnes at 3.6g/t Au for 56,000 ounces

- Potentially economic Crown Prince open pit supported by close-spaced drilling to 100m depth and completion of scoping study (9 December 2019) indicating a Production Target of 177,500t at 4.1g/t Au (97% Indicated Resource gold content)
- Mining Lease application submitted for Crown Prince Gold Project
- Lydia prospect Mining Lease application being prepared and shallow drilling planned to outline oxide mineralisation
- Transylvania and Abernethy Shear Zone prospects are in pipeline for delineation drilling
- Two large base metal prospects discovered by geophysical surveys at Government Well 5km north of Abbots Gold Project with follow up drilling underway
- Board and management changes made to implement new development strategy to delineate and bring existing gold deposits to development status while exploring for the large gold and base metal potential as yet unrealised on the Abbots Greenstone Belt

## REVIEW OF OPERATIONS

### About Ora Gold

Ora Gold Limited (Ora Gold or Company) is an ASX-listed company exploring and conducting pre-production activities on its wholly-owned Abbots and Garden Gully tenements of 393km<sup>2</sup> covering the majority of the Abbots Greenstone Belt near Meekatharra, Western Australia (Figure 1). The near-term focus is of low-cost development of shallow gold mineralisation already identified on the tenements, while exploring for larger gold and base metals deposits



**Figure 1.** Ora Gold's tenements cover the majority of the prospective Abbots Greenstone Belt

### Priority Targets on the Abbots Greenstone Belt

In addition to pre-development activities on the Crown Prince, Abbots and Lydia gold projects, Ora Gold plans follow up drilling on multiple, partially-drilled gold and base metal targets in the Abbots Greenstone Belt as shown in Figure 2. An independent review of the tenements in October 2018 identified the most prospective feature of the belt as the sheared dolerite ridge on the eastern flank of the Abbots Syncline, which hosts the bulk of the mineralisation, and the north-east trending Abernethy Shear Zone in the south, which is the conduit for mineralising fluids along the contact with the granitic basement.

Drill targets include the following:

- Lydia-Crown Prince-Eclipse Lineament (gold)
- Abbots Lineament (gold and base metals)
- Abernethy Shear Zone (gold)
- Transylvania Prospect (gold)
- Young Prospect (gold)
- Black Bull (base metals)
- Government Well (base metals)

### Garden Gully Gold Project, WA (OAU 100%)

The Garden Gully tenements cover the majority of the Abbots Greenstone Belt (Figure 1) and now comprise 2 granted Mining Leases, 21 granted Prospecting Licences and 7 granted Exploration Licences covering about 393 square kilometres, including the Crown Prince Mining Lease application.

The acquisition of the additional tenements over the Abbots Greenstone Belt from Doray (21 December 2018) materially expanded the scope of Ora Gold's Garden Gully Project. It is the first time that the majority of this greenstone belt has been held by a single company and allowing regional compilation and interpretation of all historical data and the application of modern exploration techniques across the entire geological setting. Re-interpretation by Ora Gold of the systems and structures controlling the mineralisation on the greenstone belt materially has enhanced the potential for discovery of significant gold and base metal deposits.

## REVIEW OF OPERATIONS

Widespread historical mining and significant, open-ended, JORC 2012 gold resources on the Garden Gully tenements confirm the likely potential for economic deposits in the extensive gold-bearing systems of the Abbotts Greenstone Belt. Historical underground mining produced approximately 60,000 ounces from these deposits at a grade of 30g/t Au (GSWA Bulletins 96 and 137) and the unmined extensions are being delineated for early development.

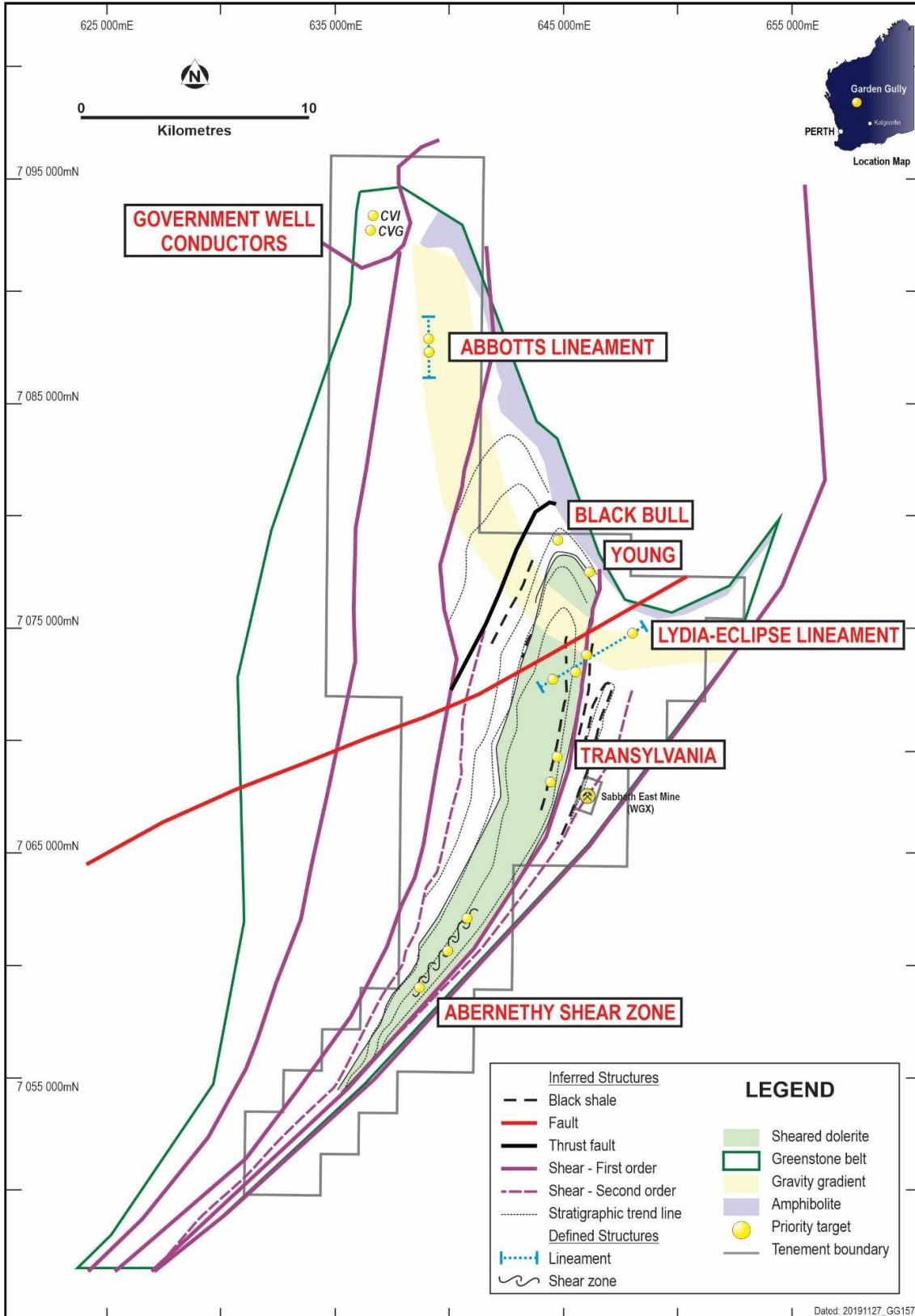


Figure 2. Garden Gully Project showing areas of priority targets

## REVIEW OF OPERATIONS

The advanced gold projects of Crown Prince, Abbots, Lydia, which have early development potential, and the many partially-drilled gold prospects provide a strong project pipeline for the outlook for Ora Gold.

As economic gold resources are confirmed and approvals obtained, the intention is to process the ore at an external plant or to feed a dedicated plant.

In addition to the gold prospectivity of the Abbots Greenstone Belt, the new base metal prospects at Government Well and Black Bull confirm the tenements also have base metal potential. Geophysical surveys and drilling programs are underway on the CVG and CVI prospects and the Black Bull prospect, which are interpreted to be of similar age and geological setting to significant base metal deposits in the Yilgarn Craton.

Total drilling by Ora Gold during the year was as follows:

Type of Drilling	Holes	Metres Drilled	Projects
Reverse Circulation (RC)	48	3,080	Abbots Gold Project
Diamond Inc RC pre-collar	2	348	Abbots Gold Project
Diamond	1	197	Abbots Gold Project
<b>Total</b>	<b>51</b>	<b>3,624</b>	

### Abbots Gold Project

The Abbots Gold Project is located about 37km north-north-west of Meekatharra alongside the well-maintained gravel Mt Clere Road on the Abbots Lineament. The historical Abbots Mining Centre has the New Murchison King and Mt Vranizan mines, which produced 21,700 tonnes at 35g/t Au recovered gold grade (GSWA Bull. 96) from a series of mineralised structures of 1000m strike length and depth of less than 80m.

Since the acquisition of the project, Ora Gold completed ground reconnaissance, mapping, portable XRF surveys and modelling of the existing drill hole data by Cube Consulting. Two limited drilling programs were completed to test the near-surface mineralisation in the New Murchison King area and the deeper extensions of the Eastern Shear Zone. The drilling programs comprised fifty-one short RC holes totalling 3,326m and three diamond tails (DD) totalling 297.5m (6 August 2019). The more significant intersections were in the Eastern Shear Zone and, together with results by earlier explorers, were as follows:

#### **Abbots Eastern Shear Zone downhole intersections (Ora Gold):**

6m at 7.94 g/t Au from 47m in OGGRC173  
 4m at 17.82 g/t Au from 0m in OGGRC181  
 1m at 6.72 g/t Au from 38m in OGGRC187  
 10m at 3.15 g/t Au from 42m in OGGRC188  
 1m at 5.72 g/t Au from 10m in OGGRC190  
 4m at 6.50 g/t Au from 48m in OGGRC212  
 1.7m at 8.04 g/t Au from 125.8m in OGGDD217

#### **Abbots Eastern Shear Zone downhole intersections (Previous explorers):**

4m at 48.9 g/t Au from 123m in AB126  
 7m at 11.5 g/t Au from 66m in AB113  
 4m at 13.9 g/t Au from 59m in AB115  
 4m at 10.4 g/t Au from 45m in AB121  
 3m at 12.5 g/t Au from 113m in AB141  
 3m at 8.1 g/t Au from 129m in AB134  
 5m at 4.1 g/t Au from 94m in AB054

The RC program confirmed previous drilling (pre-2002) with results that were as expected or slightly better, while the diamond drilling testing the down-dip extension of the Eastern Shear Zone below the high grade shallow historical workings confirmed the continuity of the Eastern Shear Zone to 170m below surface.

Mapping identified a series of north-west trending faults that off-set the Eastern Shear Zone and these faults are considered to represent dilational jogs/Riedel shears associated with the compressional regime which formed the Eastern Shear Zone at the contact between a volcanic-sedimentary unit, to the east and a massive dacite sill, to the west.

XRF testing of limited exposures of the cross-cutting shears in several creeks identified quartz veins anomalous in arsenic, which is a proxy for gold at the Abbots Gold Project. Previous shallow drilling intersected gold mineralisation close to

## REVIEW OF OPERATIONS

these cross-cutting structures (Figure 3), however the structures have not been targeted in the past and will be tested by drilling.

Initial pit designs by Cube Consulting were used to target the drilling programs as shown in Figure 3. Additional drilling is required to delineate a Mineral Resource in the shallow oxide mineralisation, the Eastern Shear Zone and cross-cutting shears and the potential pits on the shallow gold mineralisation may change in shape and dimension following that drilling.

### Crown Prince Gold Project

The Crown Prince deposit is located about 22 kilometres north-west of Meekatharra in Western Australia via the Great Northern Highway and the Mt Clere Road on the Lydia-Crown Prince-Eclipse Lineament.

Between 1908 and 1915, the Crown Prince mine was partially developed along two strongly mineralised quartz veins on four underground levels to a depth of 90m. Production was 29,400 tonnes for 20,178oz at a recovered grade of 21.7g/t Au using gravity and cyanidation processing. This mining did not extract the high-grade mineralisation around the Main and Northern Zone veins nor the adjacent parallel zones, and no mining has occurred since.

During the year, Ora Gold compiled and validated earlier data on the Crown Prince Gold Project and included deeper drilling in the 2017/18 programs to update the Mineral Resource estimate to a depth of 270m, which was released 21 October 2019 as follows:

Indicated Resource	218,000 tonnes at 4.3g/t Au for 30,000 ounces
Inferred Resource	261,000 tonnes at 3.1g/t Au for 26,000 ounces
Total Resource	479,000 tonnes at 3.6g/t Au gold for 56,000 ounces

Further drilling at an appropriate time will outline the high grade mineralisation below 270m depth and in the newly identified parallel zones that remain open along strike and at depth.

The Crown Prince deposit is interpreted to have depth potential and similar mineralisation style to the high grade Great Fingall/Golden Crown deposits near Cue, Western Australia, which produced over 1.5Moz gold to a depth of 750m below surface.

The gold mineralisation is structurally-controlled, orogenic type and is free-milling. In fresh rock it occurs in association with pyrite, rare arsenopyrite and chalcopyrite at or near the contacts with black shales, quartz porphyry and mafic schists. The Main Zone strikes WNW/SSE and dips to the SSW at 70° and adjacent sub-parallel zones strike and dip at about similar angles. (Figures 5 and 6).

A Mining Lease application (M51/886) was submitted for the project and an economic study was commenced during the year based on the project layout shown in Figure 4.

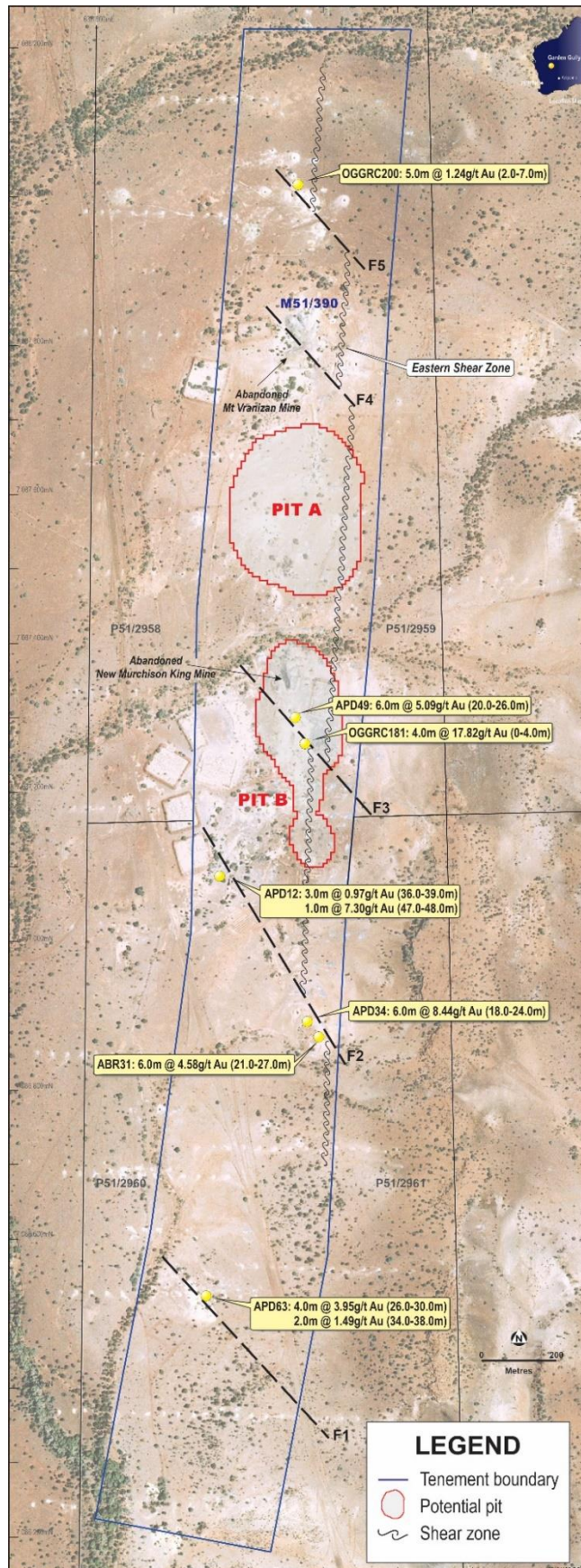
A scoping study of a 75m deep open pit over the Crown prince deposit with offsite processing by another operator has provided a positive forecast financial outcome with physical and economic outcomes (11 December 2019) as follows:

Production Target	177,472 tonnes
Grade	4.14g/t
Stripping Ratio (tonnes)	10.1
Gold Recovery (processing at an offsite plant)	95%
Gold Produced (97% Indicated Resource)	22,444 ounces
Pre-development (including mobilisation)	\$1.4M
Operating Cash Cost	\$891/ounce
All-In-Sustaining-Cost per ounce	\$1,006/ounce
Gold Price	\$2,000/ounce
Net distributable surplus before tax (+/-30%)	A\$21.1M

Further studies, a Mining Proposal, various approvals and arrangements for contract mining, offsite processing and other material matters are yet to be completed.



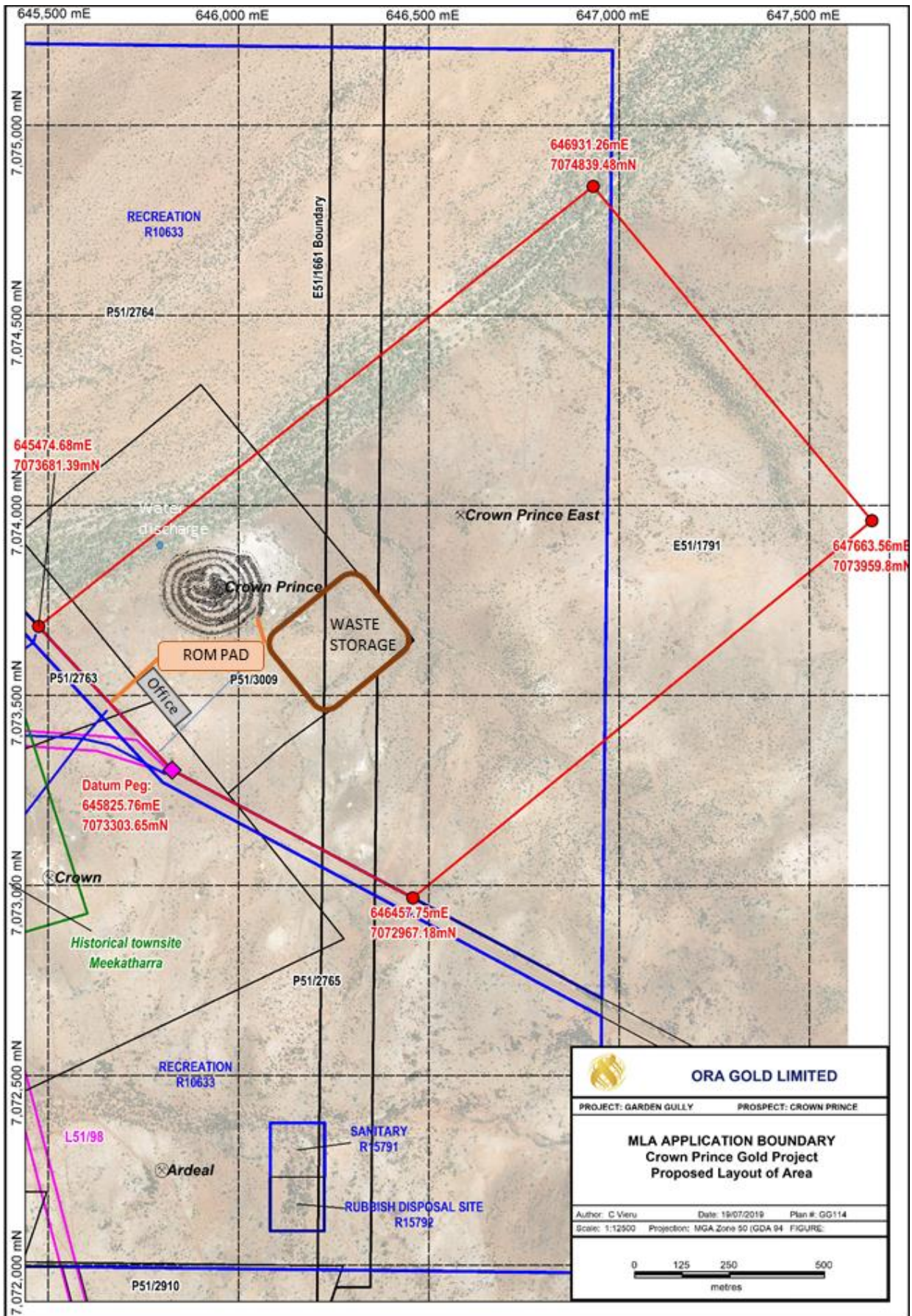
# REVIEW OF OPERATIONS



**Figure 3.** Abbots Lineament showing potential pit outlines and interpreted mineralising structures



# REVIEW OF OPERATIONS



**Figure 4.** Mining Lease application (M51/886) showing proposed Crown Prince mine development, layout of the proposed project, local tenements and reserves

# REVIEW OF OPERATIONS

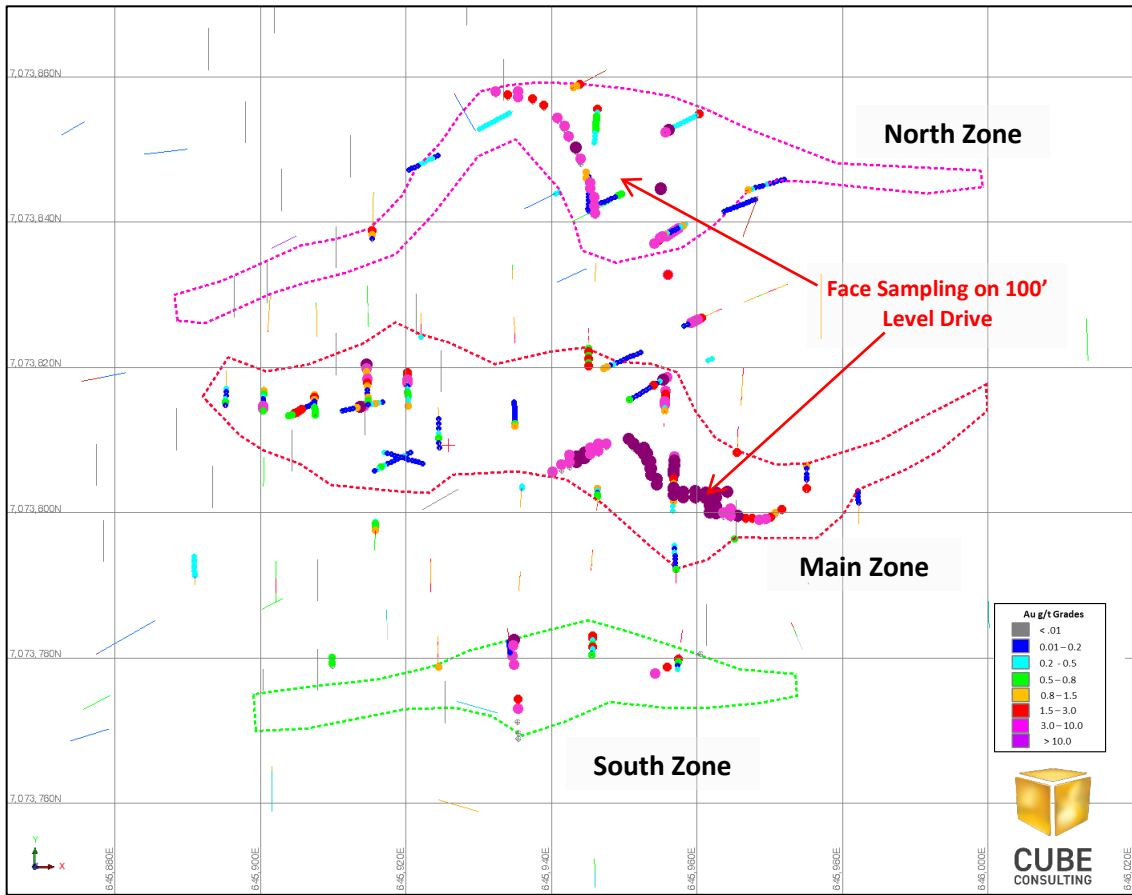


Figure 5. Crown Prince 2019 MRE 450m RL plan view of 0.3g/t wireframes of gold mineralisation

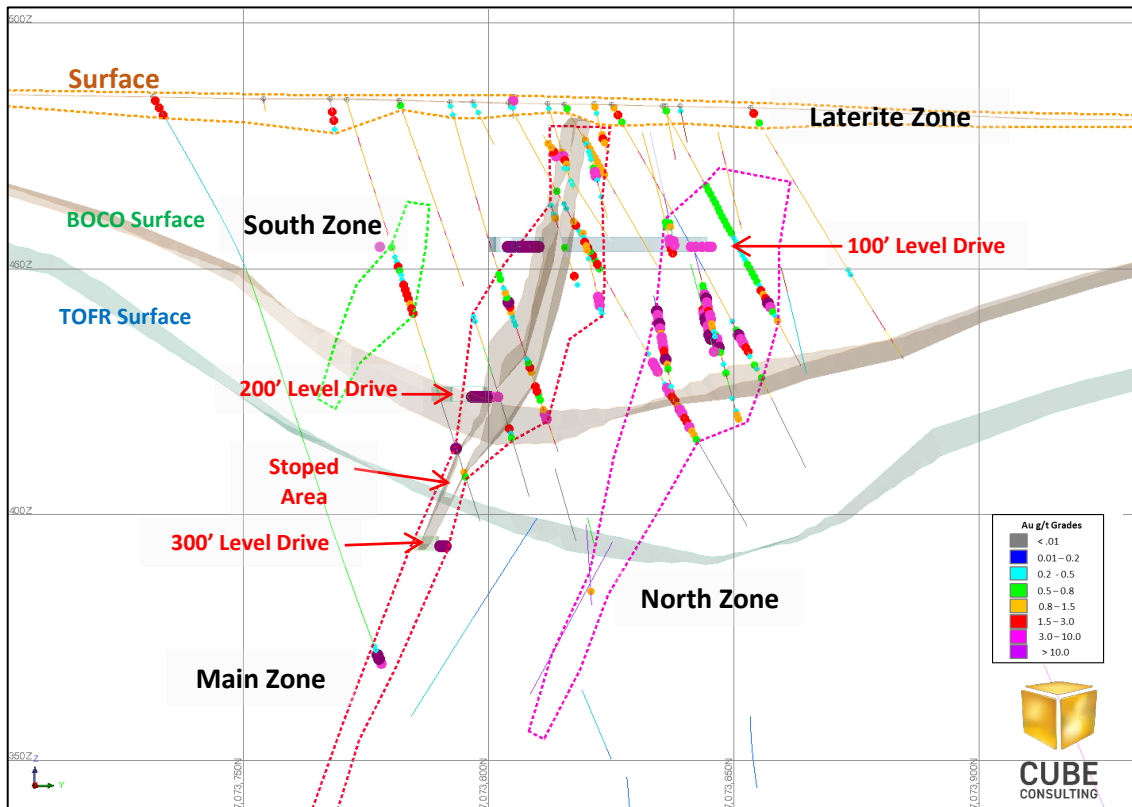


Figure 6. Crown Prince 2019 MRE 645950E section showing 0.3g/t wireframes of gold mineralisation

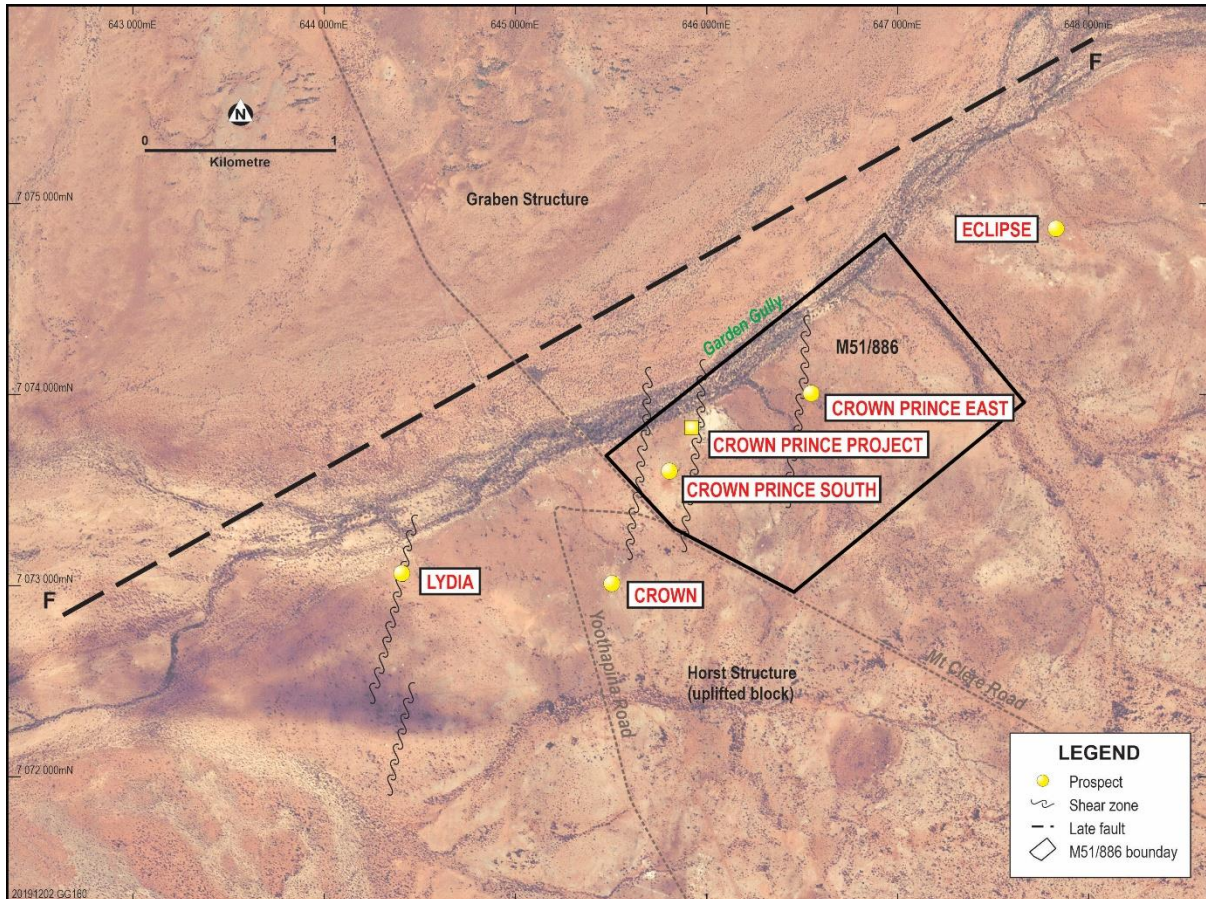


## REVIEW OF OPERATIONS

### Lydia-Crown Prince-Eclipse Lineament

The north-east trending structural lineament shown in Figure 7 is highly prospective for economic deposits. The lineament hosts historical gold mines and prospects associated with north striking shear zones in the southern uplifted block of a late major cross-cutting fault zone.

Pre-development activities are underway for the Crown Prince Gold Project and several RC holes are planned to test the continuity of the mineralised zones outside the designed pit level. The partially-drilled Main Zone and sub-parallel zones will be drilled at a future time.



**Figure 7.** Lydia-Crown Prince-Eclipse Lineament main gold projects and prospects

A Mining Lease application is proposed for the Lydia prospect, which has strong gold mineralisation in south-westerly plunging shoots within the north-striking main structure. Shallow drilling is planned to outline the oxide and supergene mineralisation potential.

Crown Prince East prospect (ex Cloudkicker) was tested by two lines of air core drilling by Doray Minerals in 2016. Several gold intersections have been recorded at the contact between shale/mafic schists and deformed ultramafic. The structural setting appears to be identical to the Crown Prince Main Zone and drilling is planned to follow up the potential at depth and along strike of the mineralised contact.

The Eclipse prospect has old workings and surfacing for nuggetty gold and St Barbara Mines drilled two shallow air core lines which returned some supergene gold mineralisation. A parallel structure to the one hosting the old workings is present to the south-west and has not been tested by drilling. Ora Gold proposes to drill both structures after a detailed mapping and soil sampling program.

### Abernethy Shear Zone

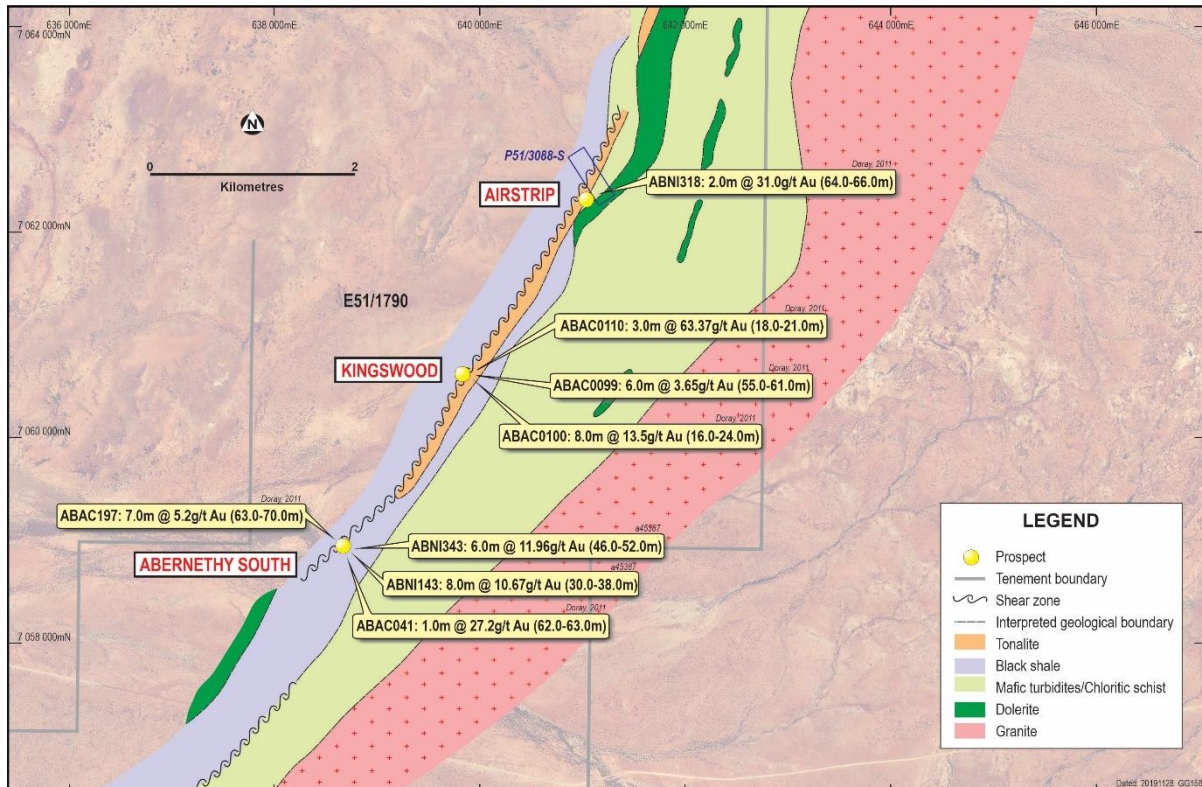
This major structure located on the south extremity of the tenure was a gold target for various explorers since the 1970's.

Although previous explorers drilled multiple high grade gold intersections along the 7km strike between the Viking in the north and Belele Road, the lack of outcrop, large variations in thickness of transported cover and the presence of anomalous arsenic in multiple (unmineralised) black shale units resulted in this earlier drilling being done in the wrong areas.

## REVIEW OF OPERATIONS

Evaluation and re-interpretation of all previous data shows that the main gold target is at the footwall contact of a tonalite unit with shale or chloritic schist units due to the competency contrast of these rocks (Figure 8). The hanging wall of the tonalite (north-western side) has given the best intersections to date, which are to be followed up, while the footwall side of the tonalite remains a largely undrilled target. Most of the shallow high-grade gold intersections to date appear to be of a paleo-channel system sourced from the tonalite contact mineralisation.

Ora Gold will focus on the two tonalite contact zones along the main structure between the Abernethy South and Airstrip prospects where the best gold intercepts occur.



**Figure 8.** Abernethy Shear Zone showing main prospects and gold intersections

### Transylvania Prospect

This area has several shallow gold intersections and a long zone of historical workings located along a valley with thick transported cover. Immediately to the east, Westgold is mining a small resource which appears to be hosted on a sub-parallel similar structure.

RC drilling has intersected thin gold mineralisation with arsenopyrite and a SAM (sub-audio magnetic) survey was undertaken identifying several potential gold targets, which will be tested by further shallow drilling (Figure 9).

### Young Gold Prospect

This prospect is located on the north-eastern flank of the Abbots Greenstone Belt and at the northern end closure of the prospective sheared dolerite. Limited exploration and drilling were undertaken by BP Mining and St Barbara Mines in the past (Figure 10).

Young Prospect was targeted for gold mineralisation and several old workings are present within the area. Ora Gold has intersected high-grade gold in shallow air core drilling to the west of the workings and a SAM survey has delineated multiple targets for testing by further drilling.



# REVIEW OF OPERATIONS

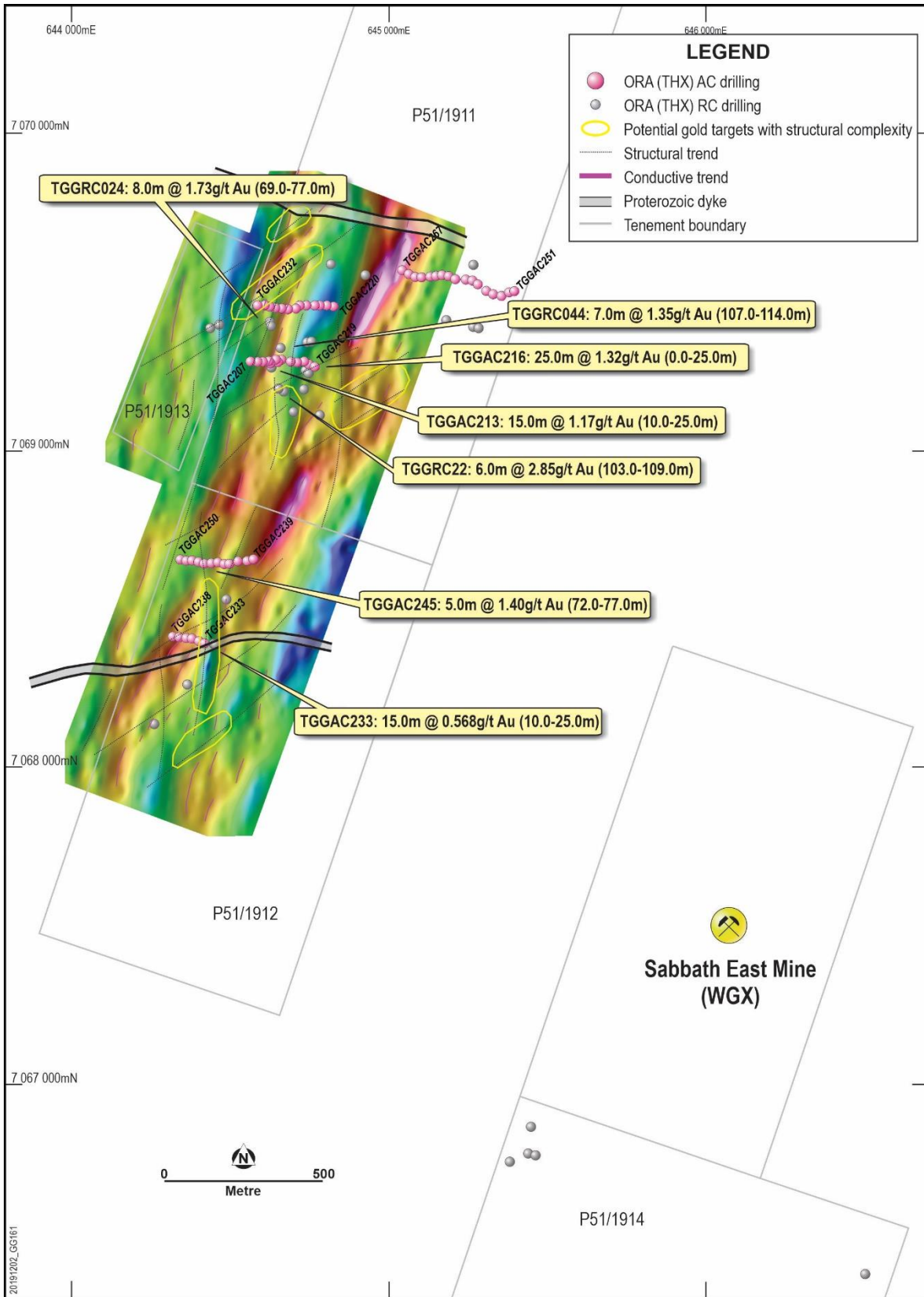
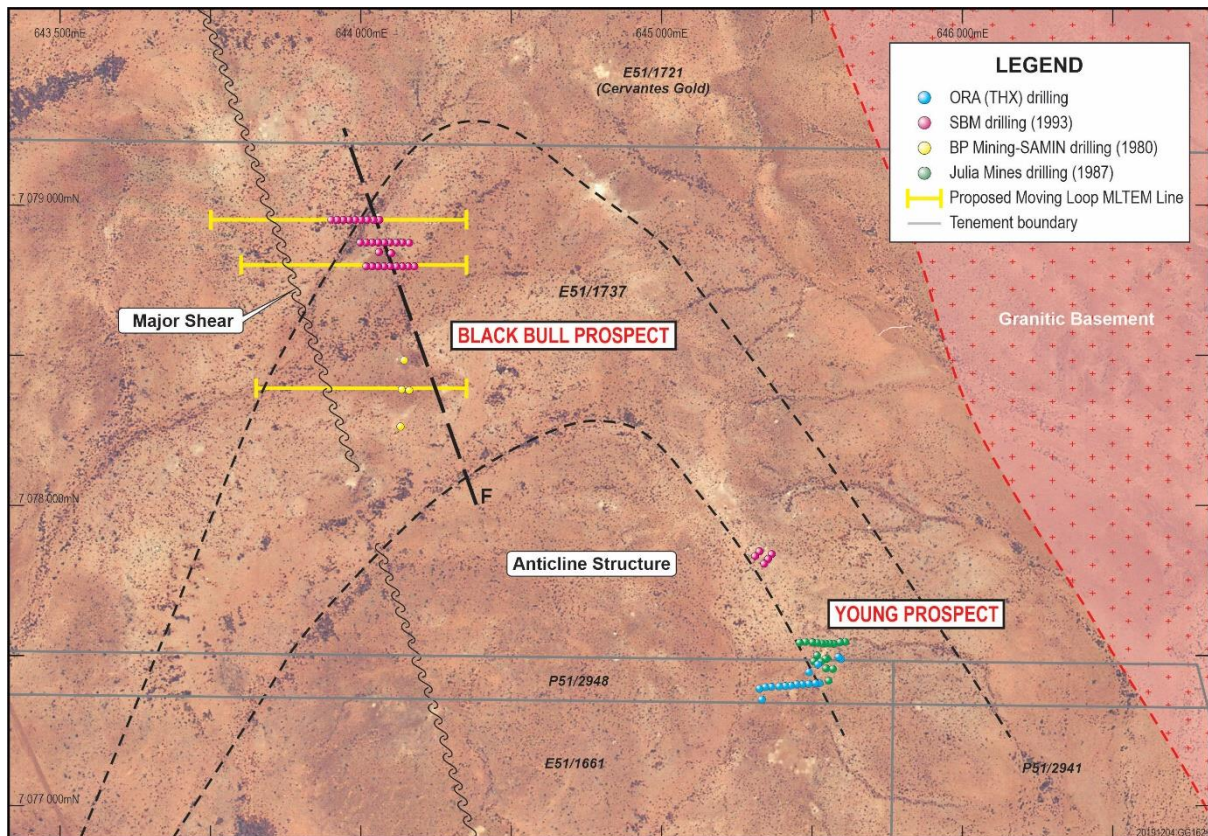


Figure 9. Transylvania SAM gold targets and significant drill intersections

## REVIEW OF OPERATIONS



**Figure 10.** Young and Black Bull prospects showing mineralised structures and targets

### Black Bull Base Metal Prospect

The Black Bull base metal prospect is located one kilometre north-west of Young (Figure 10) and was explored by BP and St Barbara Mines for base metals and gold, targeting the ferruginous caps/potential gossans. The limited BP drilling tested EM anomalies and intersected slightly sulphidic shales/graphitic schists and chloritic schists while SBM intersected anomalous gold in two holes. Some mapping and soil sampling will be required to define valid targets in conjunction with MLTEM survey result.

### Government Well Base Metal Prospects

The Government Well base metal prospects, CVG and CVI, are located about 5km north of the Abbots Gold Project in the Greensleeves Formation, and of similar age and geological setting as significant base metal deposits in the Yilgarn Craton.

An initial rock sampling program over the Government Well area returned high grade copper and silver assays along with moderate gold results, which was followed up with portable XRF surveys and two MLTEM (Moving Loop Transient Electromagnetic) surveys. The surveys and field mapping outlined two strong conductors of 500m strike length and RC drilling was commissioned to test them to depths to 100m.

The location of the Government Well CVG and CVI EM conductors and their surface projection are shown on the total magnetic intensity image in Figure 11. Both conductors are modelled to be dipping steeply to the west under a magnetic mafic-ultramafic package.

Shallow reverse circulation drilling was undertaken immediately after the reporting period and significant base metals and gold intersections have been returned from both conductors. Deep drilling is planned to test the potential intrusive-related mineralised system



## REVIEW OF OPERATIONS

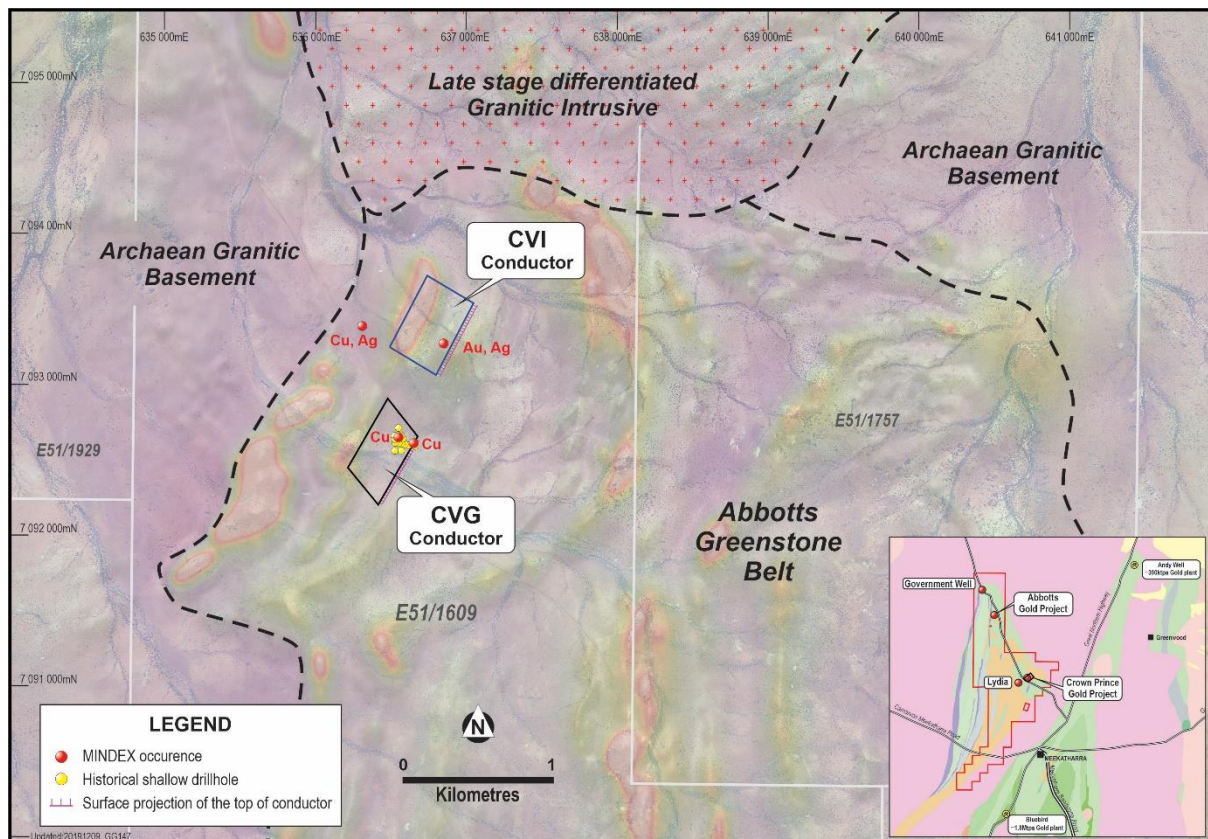


Figure 11. Government Well modelled conductors on total magnetic intensity image and aerial photo

### Doolgunna Projects, WA Red Bore (OAU 90%), Curara Well (90%)

Red Bore is a Mining Lease (M52/597) of two square kilometres in area (Figure 12) located about 900km NNE of Perth and adjacent to the DeGrussa copper-gold mine.

During the year, joint venture partner Mr W Richmond conducted RC and diamond drilling and reported to Ora Gold as summarised below:

An RC drilling program of 15 holes for a total of 3,140 total metres was carried out, including drilling an NQ diamond tail below RBC001 (now RBCD001) from 406-901m for an additional 495m, then cased with 50mm PVC to 901m. The drill holes were planned to follow up weak Cu-Au and other geochemical anomalism from recent air-core drilling, weak EM anomalies, and a conceptual hole to test for sedimentary host rocks and VMS mineralisation sitting below a large outcropping post-mineralisation dolerite dyke, which was thought to represent the outcropping axis of an antiformal structure. Drilling was planned to set depths, with holes oriented to the north at a dip of 60 degrees, and some holes extended deeper where deemed necessary (Figure 12).

Twelve holes were cased with 50mm PVC and surveyed using downhole EM and downhole magnetics to try and identify off-hole VMS targets.

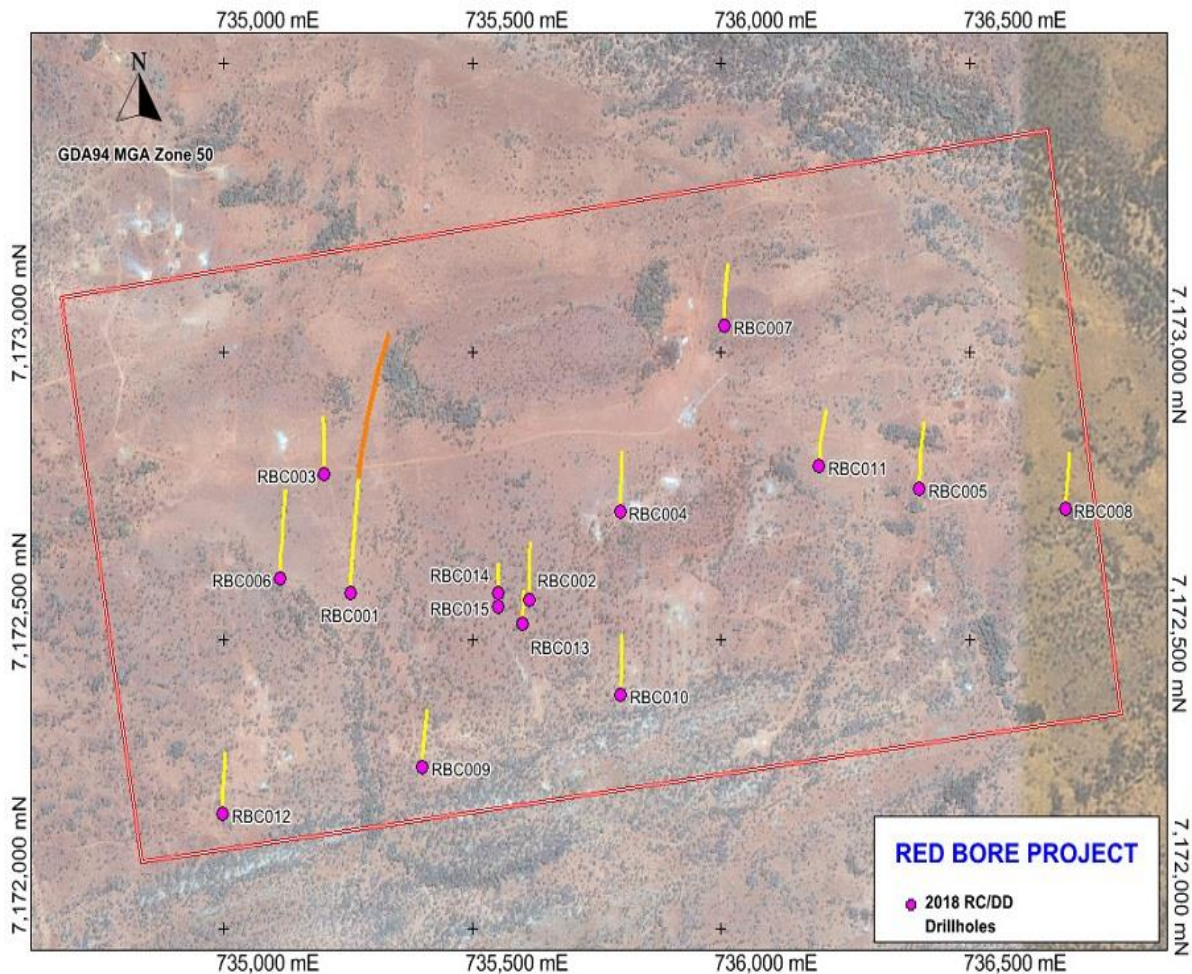
Three shallow extension RC holes (RBC013, 14, and 15) were drilled on existing cleared tracks as follow up around the anomalous interval identified in RBC002.

The oriented NQ core was reviewed for lithology and any significant massive sulphide mineralised intervals, which were not intercepted.

Downhole electromagnetic (DHEM) surveys, which also collected downhole magnetic data, were conducted in October-November 2018 by Vortex Geophysics on all of the new RC and diamond drill holes, except for shallow infill holes RBC013, 14, and 15. The aims of the DHEM surveying were to detect offhole conductors and magnetic anomalies indicative of VMS mineralisation, similar to the DeGrussa orebodies, which are located just to the northwest of the ML, and to the Gossan and Impaler VMS deposits located within the ML (Figure 13).



## REVIEW OF OPERATIONS



**Figure 12.** Red Bore Mining Lease showing recent RC collars and projected drilling traces (yellow) and diamond tail drill trace (orange)

The 495 metres of NQ diamond core from RBCD001 was photographed and logged for lithology and structure. Nine samples were collected for petrographic analysis. Siltstone was intercepted deep in the hole, and this has been interpreted to represent the core of a thrust fault related anticline, with a dolerite sill forming the outer layer to this isoclinal fold structure. This geological setting is very similar to the structure hosting mineralisation at DeGrussa, however, a similar style of mineralisation and alteration does not occur in close proximity to deep drill hole RBCD001, and there is no strong vector indicating VMS mineralisation sitting off-hole within 100m of the drill hole trace. The drill hole collar and casing for hole RBCD001 is preserved so that this hole can be re-surveyed in the future or used as a downhole magnetometric resistivity (MMR) electrode transmitting hole.

Downhole electromagnetic (DHEM) surveys conducted by Vortex Geophysics and analysis of the downhole data was carried out by Resource Potentials. No significant in-hole or off-hole EM conductors were detected in the EM data, aside from 2 large bedrock conductors related to known black shale horizons in the south, and subtle shallow conductors related to zones of deeper weathering in the regolith. The downhole magnetic data were processed and analysed by ExploreGeo, and the main off-hole magnetic anomalies were all related to magnetite bearing layers within dolerite sills. Despite the data being highly affected by noise, no major off-hole magnetic anomalies occurred in the siltstone units. This downhole surveying indicates that no off-hole conductors or magnetic bodies that could represent VMS targets occur within 100m surrounding the drill hole trace.

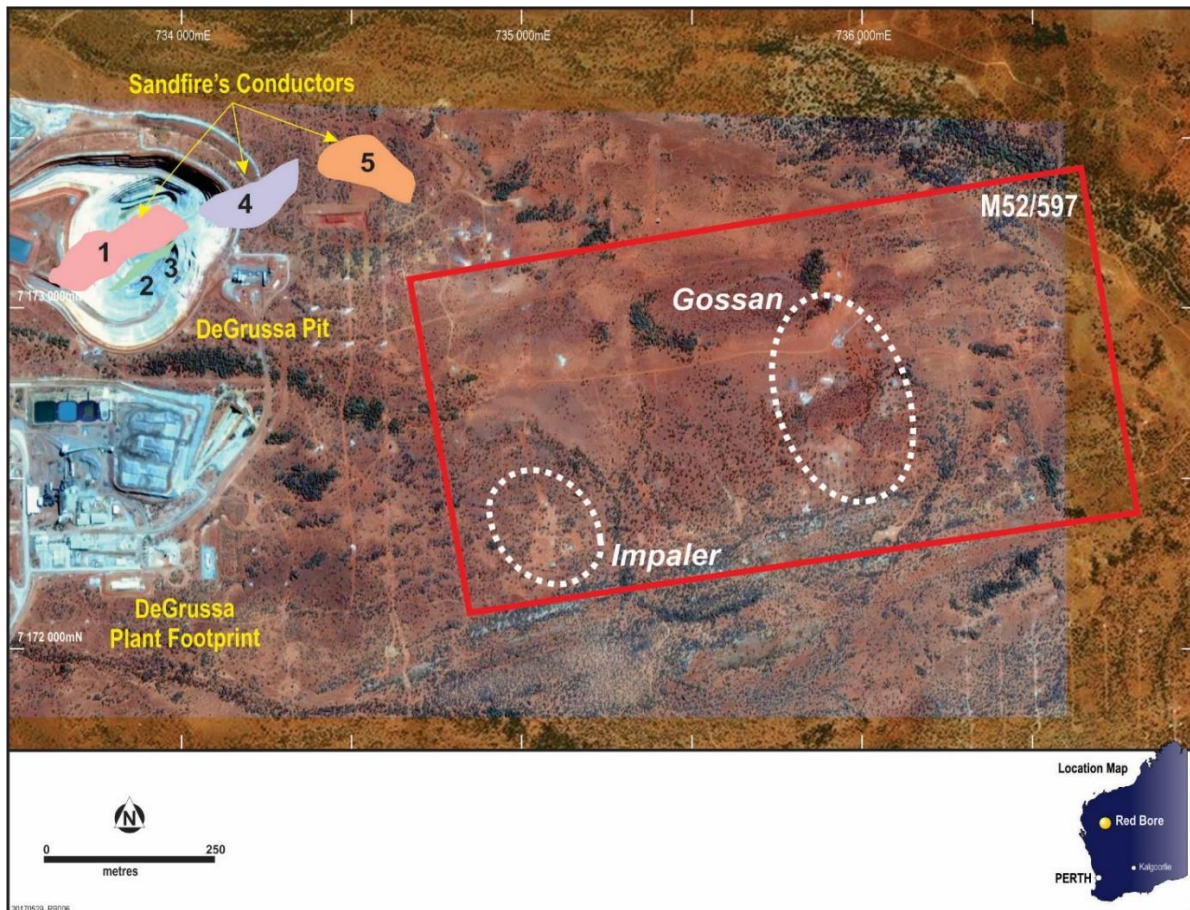
The work completed on Mr Richmond's behalf since July 2017 incurred sufficient expenditure to satisfy Mr Richmond's commitment to sole fund at least \$1.5 million on exploration at Red Bore by late January 2019. Ora Gold issued formal notification that the Minimum Expenditure Commitment had been satisfied. This expenditure does not change the equity interests in the project, which stay at Ora Gold 90% and Mr Richmond 10%. To increase his equity interest in the licence Mr Richmond must define at least 30,000 tonnes of copper or copper equivalent that comply with JORC 2012 resource guidelines, to earn an extra 75%. Red Bore would then be Ora Gold 15% free carried and Mr Richmond 85%.

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Mr Richmond now has the option to continue to carry out work at Red Bore until such time as he elects to withdraw or defines the mineralisation necessary to earn the additional 75% interest. The ongoing costs of further exploration and of keeping the tenement in good standing are all to be borne by Mr Richmond.

As previously advised, studies confirm the interpretation that the Gossan mineralisation is remobilised and therefore that a possible source remains to be discovered at depth.

No field work was carried out at the Curara Well project during the year and the tenement have been relinquished.



**Figure 13.** Red Bore mining lease showing Gossan and Impaler prospects, the surface trace of the DeGrussa Mine’s “Conductor” orebodies (to scale) and location of the DeGrussa mine pit and plant

### Keller Creek, East Kimberley, WA (THX 20% fci)

The Keller Creek tenement E80/4834, in which Thundelarra holds a 20% free-carried interest through to a decision to mine, is adjacent to the Savannah underground nickel mine operated by Panoramic Resources (PAN). Panoramic holds the 80% balance in Keller Creek and manages exploration on the tenement.

Panoramic is exploring for nickel and graphite on the tenement and they are making encouraging progress for both.

On 31 January 2017, Panoramic announced the results of deep drilling on the Savannah North Upper Zone westerly extension, which was interpreted to extend into E80/4834 (28 October 2015). Holes SMD167 and 167A are located approximately 100m east of the E80/4834 boundary and the results were reported as follows:

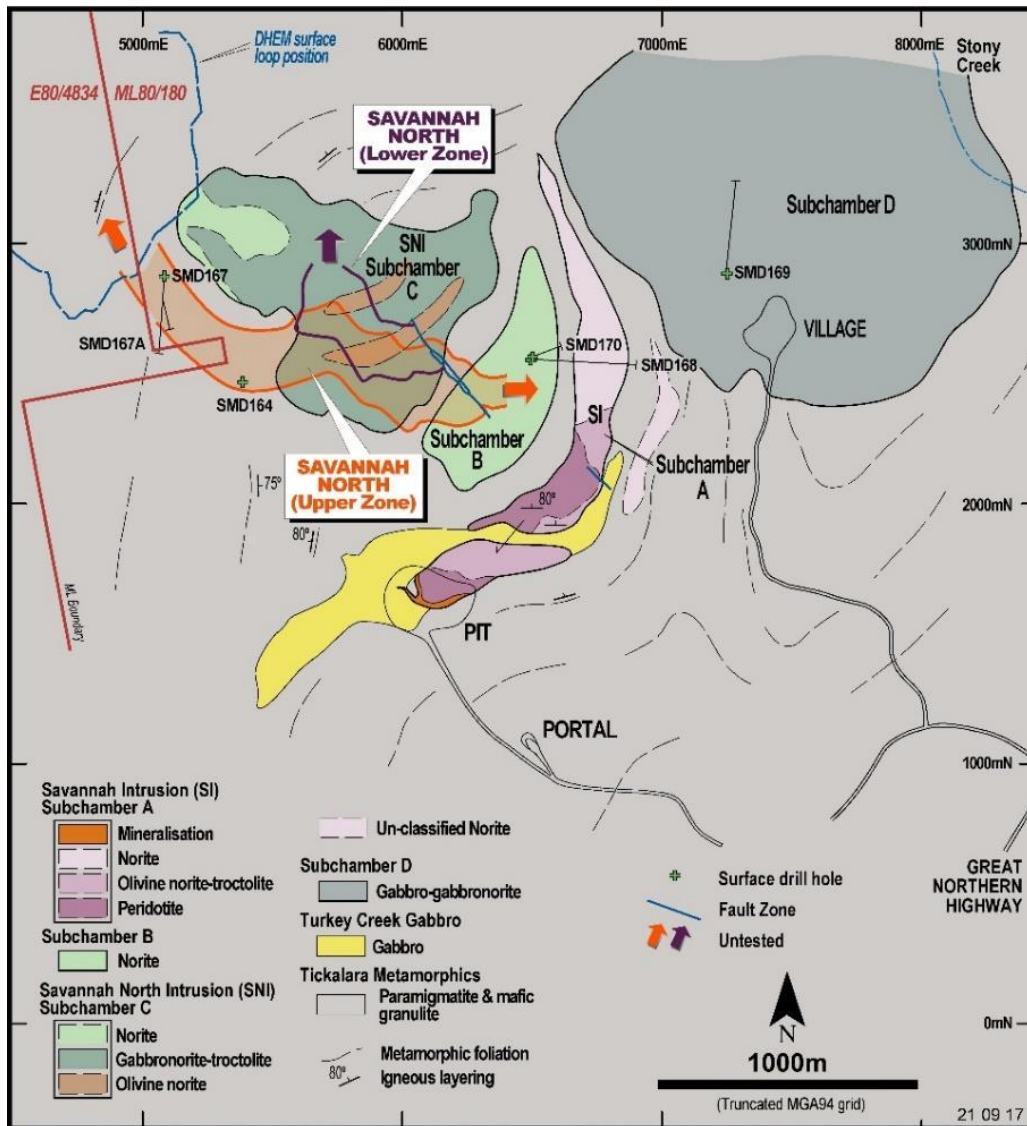
“Drill hole SMD167 targeted the previously interpreted northern margin of the electromagnetic (EM) plate modelled in this area following the down-hole EM (DHEM) survey of SMD164, located 350m to the east. Based on the geology and the subsequent strong on-hole and off-hole DHEM responses identified in SMD167, it is apparent that the hole intersected the southern edge of the Savannah North intrusion and that the bulk of the intrusion and EM source lies to the east and north of the hole. The best assay result in SMD167 was 2.20m @ 0.59% Ni.



## REVIEW OF OPERATIONS

Drill hole SMD167A was then drilled targeting the base of the intrusion further to the north. Encouragingly, SMD167A intersected a broader zone of weak disseminated and blebby mineralisation at the base of the intrusion approximately 100m to the north of SMD167. The best results within this broader zone of weak mineralisation are 1.00m @ 0.92% Ni and 3.50m @ 0.74% Ni located on the basal contact of the intrusion. This mineralised zone in SMD167A is coincident with a very strong EM response which, when subsequently modelled, confirms stronger mineralisation is located close to the hole towards the north and west.

The geology and DHEM data provided by SMD167 and 167A indicates that, at depth, the orientation of the mineralised Savannah North intrusion adopts a pronounced northwesterly trend from SMD164 and that the mineralisation remains open in this direction (Figure 14)."



**Figure 14.** Simplified Savannah geological plan showing location of Savannah North surface drill holes SMD167 and SMD167A located about 100m east of the E80/4834 boundary (~5000mE)

On 31 October 2019, Panoramic announced the results of a preliminary RC drilling program on its 'Keller Creek Graphite Project' on the tenement as follows:

"The Keller Creek Graphite Project is located immediately to the west of Savannah on E80/4834 (Figure 15). Regional airborne electromagnetic surveys conducted in the past by Panoramic in search of nickel sulphide mineralisation, identified several large stratigraphic horizons of graphite bearing meta-sediments (Tickalara Metamorphics) across the Keller Creek tenement.

## REVIEW OF OPERATIONS

In June 2019, the Company conducted a preliminary reverse circulation (RC) drill test of the main graphite bearing horizon over a strike length of approximately five kilometres. The program consisted of 14 RC drill holes for a total of 1,368 drill metres, with a total of 1,074 one-metre graphite bearing samples collected and submitted for assay. The aim of the program is to provide an indication of the thickness and Total Graphitic Carbon (TGC) content of the graphite bearing horizon. In addition to the assay samples, representative RC chips were collected from each drill hole and submitted for mineralogical examination to determine the purity and flake size of the graphite.

All results for the Keller Creek program were received during the September 2019 quarter. Using a 3% TGC cut-off grade, the program returned the intercepts shown on Figure 14. The JORC (2012 Edition), Table 1 drill hole details and associated compliance tables are included in Appendix 1. The better intercepts include:

- 10m @ 4.67% from 55m, 6m @ 5.58% from 68m, and 10m @ 4.05% from 82m in SMP180;
- 4m @ 7.35% from 24m, 8m @ 3.58% from 60m in SMP181;
- 5m @ 5.76% from 92m in SMP182;
- 4m @ 6.82% from 75m in SMP183;
- 11m @ 3.73% from 111m in SMP187; and
- 8m @ 3.71% from 39m, 8m @ 3.40% from 71m in SMP191 (shown in Figure 15).

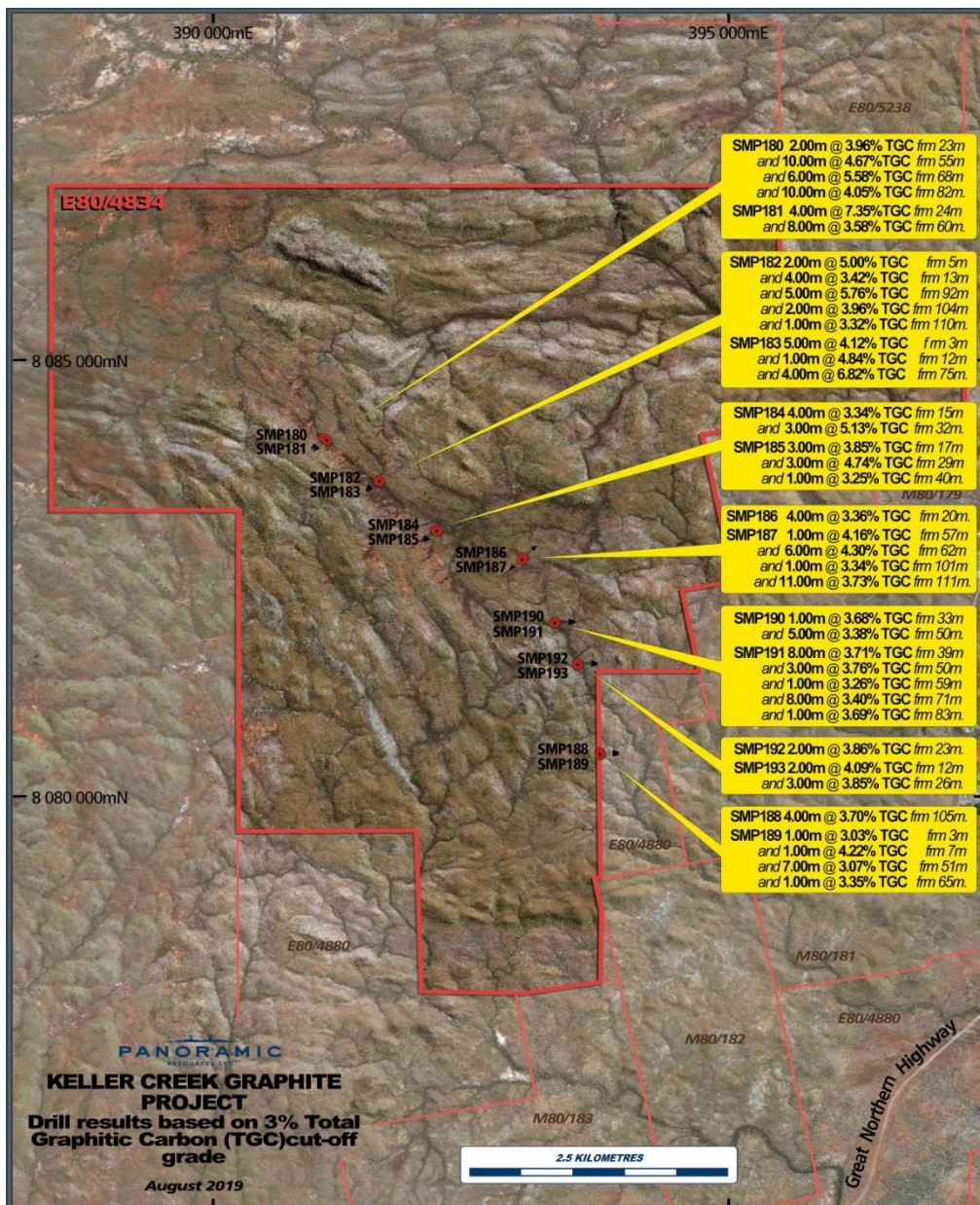


Figure 15. Keller Creek Graphite Project plan showing recent drill hole locations and results



## REVIEW OF OPERATIONS

In addition to the assay results, petrological descriptions for the samples submitted to investigate graphite flake size and quality, were received during the quarter. The samples described had variable graphite contents (or tenor). While most samples had strong flake graphite concentrations (ie up to 20 vol% flake graphite), a few samples showed no visible flake graphite.

Graphite flake sizes were also variable with large to jumbo sized flake occurring in most samples, correlating with the enhanced upper amphibolite to granulite facies metamorphic grade of the area. In contrast, lithologies that had been subject to strong brittle/ductile deformation tended to exhibit a finer flake graphite size due to comminution.

The grade and flake quality of the Keller Creek graphite appears to be very similar to Hexagon Resources Limited's (ASX: HXG) McIntosh Project, located 40km to the SE of Savannah. The McIntosh Project has a reported Mineral Resource (based on a 3% TGC cut-off grade) of 23.8 million tonnes grading 4.5 % TGC, contained within four separate deposits.

Based on Panoramic's initial drill test results and the broad extents of the graphitic horizons within the Keller Creek tenement demonstrated by previous electromagnetic surveys, there is a high probability that the Keller Creek project tenement contains large quantities of graphite of a similar grade and quality to the McIntosh Project."

### Sophie Downs, East Kimberley, WA (THX 100%)

No field work was conducted at Sophie Downs during the year. The tenement has been relinquished. The Company has completed the final rehabilitation work required as part of the surrender process.

## MINERAL RESOURCES AND ORE RESERVES STATEMENT:

### Crown Prince Gold Project

The 2019 Mineral Resource estimate was undertaken by Ora Gold, consultants and Cube Consulting Pty Ltd of Perth and announced on 21 October 2019, according to the requirements of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 (JORC Code) and the Australian Securities Exchange Listing Rules.

#### CROWN PRINCE GOLD PROJECT 2019 MINERAL RESOURCES ESTIMATE

Indicated Resource			Inferred Resource			Total Resource		
Tonnes	Grade g/t Au	Ounces Au	Tonnes	Grade g/t Au	Ounces Au	Tonnes	Grade g/t Au	Ounces Au
218,000	4.3	30,000	261,000	3.1	26,000	479,000	3.6	56,000

Figures are rounded to reflect relative uncertainty of the estimates

### Red Bore Base Metal Project

Ora Gold has a 90% equity interest in the estimated mineral resources at the Red Bore Copper-Gold Project. Red Bore comprises one granted Mining Licence M52/597 and is a joint venture between Ora Gold (90%) and Mr Richmond (10%). The estimated Mineral Resources (100%) in the table below were reported to the Australian Stock Exchange on 4 May 2012. Since the original Red Bore Mineral Resource was reported in 2012, there have been no subsequent exploration results that would warrant a recalculation of the resource.

#### RED BORE 2012 INDICATED MINERAL RESOURCES ESTIMATE

Material	Tonnes	Bulk Density	Cu (%)	Tonnes Cu	Au (%)	Au Ounces
Oxide	20,000	3.2	2.9	600	0.40	270
Transitional	12,000	3.2	4.2	480	0.50	180
Fresh	16,000	3.1	4.0	660	0.40	190
	<b>48,000</b>	<b>3.2</b>	<b>3.6</b>	<b>1,740</b>	<b>0.40</b>	<b>650</b>

Figures are rounded to reflect relative uncertainty of the estimates

## REVIEW OF OPERATIONS

### COMPETENT PERSONS STATEMENT

*The details contained in this report that pertain to Exploration Results, Mineral Resources or Ore Reserves, are based upon, and fairly represent, information and supporting documentation compiled by Mr Philip Mattinson, Mr Costica Vieru, Mr Philip Bruce and Mr Brian Fitzpatrick. Mr Mattinson and Mr Vieru are Members of the Australian Institute of Geoscientists. Mr Mattinson is a consultant to the Company, Mr Vieru is a full-time employee of the Company and Mr Bruce is a Fellow of the Australasian Institute of Mining and Metallurgy and a Director of the Company. Mr Fitzpatrick is a Principal Geologist with Cube Consulting Pty Ltd and a Member of the Australasian Institute of Mining and Metallurgy, who has undertaken check validation and geo/statistical assessment of the data, then block modelled and estimated the tonnage and grade of the mineralisation, which was assessed by Mr Vieru and Mr Bruce for appropriate cutoff grade and to confirm resource categorisation. The Competent Persons have sufficient experience which is relevant to the style(s) of mineralisation and type(s) of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). All consent to the inclusion in this report of the matters based upon their input into the information in the form and context in which it appears.*

## DIRECTORS' REPORT

The Directors present their report on the Consolidated Entity consisting of Ora Gold Limited (formerly Thundelarra Limited) and the entities it controlled at the end of, or during, the year ended 30 September 2019.

### INFORMATION ON DIRECTORS

The following persons were Directors of Ora Gold Limited ("Company") and were in office during the financial year and until the date of this report unless otherwise stated.

Mr Rick W Crabb	Non-Executive Chairman	Appointed 28 February 2019
Mr Frank DeMarte	Executive Director	
Mr Malcolm R J Randall	Non-Executive Director	
Mr Philip G Crabb	Non-Executive Director	
Mr Philip F Bruce	Non-Executive Director	Appointed 1 March 2019

### PRINCIPAL ACTIVITY

The principal activity of the Consolidated Entity during the year was mineral exploration in Australia. Other than the foregoing, there were no significant changes in those activities during the year.

### RESULT OF OPERATIONS

During the year the Consolidated Entity incurred a consolidated operating loss after tax of \$3,296,418 (2018 – loss \$5,135,510).

### DIVIDENDS

No dividends have been paid during the financial year and no dividend is recommended for the current year.

### NATIVE TITLE

Claims of native title over certain of the Consolidated Entity's tenements have been made, and may in the future be made under the Commonwealth Native Title Act. In the event that native title is established by an indigenous community over an area that is subject to the Consolidated Entity's mining tenements, the nature of the native title may be such that consent to mining may be required from that community but is withheld.

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Consolidated Entity during the financial year not otherwise dealt with in this report.

### SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the financial period, the Directors are not aware of matter or circumstance not otherwise dealt with in this report or the Financial Statements, that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent years, the financial effects of which have not been provided for in the 30 September 2019 financial statements:

#### *Expiry of Employee Options*

4,350,000 employee options exercisable at 6 cents each expired on 14 November 2019.

### LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Details of important developments in the operations of the Consolidated Entity are set out in the review of operations section of this report. The Consolidated Entity will continue to explore its Australian tenement areas of interest for minerals, and any significant information or data will be released in the market and to shareholders.

### ENVIRONMENTAL ISSUES AND REGULATIONS

The Consolidated Entity has interests in mining tenements (including prospecting, exploration and mining leases). The leases and licence conditions contain environmental obligations. The Consolidated Entity has assessed whether there are any particular or significant environmental regulations which apply. It has determined that the risk of non-compliance is low, and has not identified any compliance breaches during the year. The directors are not aware of any environmental matters which would have a significant adverse effect on the Consolidated Entity.

### CORPORATE INFORMATION

Ora Gold Limited	Parent entity
Element 92 Pty Ltd	100% owned controlled entity
Red Dragon Mines Pty Ltd	100% owned controlled entity
Zeus Mining Pty Ltd	100% owned controlled entity

## DIRECTORS' REPORT

### INFORMATION ON DIRECTORS

<b>RICK W CRABB</b>	<b>Non-Executive Chairman</b>
<i>Qualifications</i>	B. JURIS (Hons), LLB, MBA, FAICD
<i>Skills and Experience</i>	<p>Mr Crabb holds degrees of Bachelor of Jurisprudence (Honours), Bachelor of Laws and Master of Business Administration from the University of Western Australia. He practiced as a solicitor from 1980 to 2004 specialising in mining, corporate and commercial law. He has advised on all legal aspects including financing, marketing, government agreements and construction contracts for many resource development projects in Australia and Africa.</p> <p>Mr Crabb now focuses on his public company directorships and investments. Mr Crabb was a Councillor on the Western Australian Division of the Australian Institute of Company Directors from 2008 to 2017. Mr Crabb was appointed a director on 20 November 2017 and Chairman on 28 February 2019.</p>
<i>Other current Directorships</i>	Eagle Mountain Mining Limited (since 2017).
<i>Former Directorships in last three years</i>	Paladin Resources Ltd from 1994 to 2019. Golden Rim Resources Ltd from 2001 to 2017.
<i>Special Responsibilities</i>	Member of Nomination Committee from November 2017. Member of Audit Committee from November 2017. Member of Remuneration Committee from November 2017.
<i>Interest in Shares and Options at the date of this report</i>	4,985,392 Ordinary shares.

<b>FRANK DEMARTE</b>	<b>Executive Director</b>
<i>Qualifications</i>	BBus (Acct), FGIA, FCIS, FAICD
<i>Skills and Experience</i>	<p>Mr DeMarte has over 36 years of experience in the mining and exploration industry in Western Australia. Mr DeMarte has held executive positions with a number of listed mining and exploration companies and is currently an Executive Director, Company Secretary and Chief Financial Officer of the Company.</p> <p>Mr DeMarte is experienced in areas of secretarial practice, management accounting and corporate and financial management. Mr DeMarte holds a Bachelor of Business majoring in Accounting and is a Fellow of the Governance Institute of Australia Ltd. A Fellow of the Chartered Secretaries of Australia and a Fellow of the Australian Institute of Company Directors. Mr DeMarte was appointed a director on 30 April 2001.</p>
<i>Other current Directorships</i>	Magnetite Mines Limited (since 2004).
<i>Former Directorships in last three years</i>	None.
<i>Special Responsibilities</i>	Member of Nomination Committee from December 2004. Member of Remuneration Committee from April 2013. Chief Financial Officer and Company Secretary.
<i>Interest in Shares and Options at the date of this report</i>	<p>7,161,740 Ordinary shares.</p> <p>1,500,000 Unquoted options expiring 26 February 2021 exercisable at 8 cents each.</p> <p>3,000,000 Unquoted options expiring 23 February 2022 exercisable at 7 cents each.</p>



## DIRECTORS' REPORT

<b>MALCOLM R J RANDALL</b>	<b>Non-Executive Director</b>
<i>Qualifications</i>	<i>B.Applied Chem, FAICD</i>
<i>Skills and Experience</i>	Mr Randall holds a Bachelor of Applied Chemistry Degree and is a Fellow of the Australian Institute of Company Directors. He has extensive experience in corporate, management and marketing in the resource sector, including more than 25 years with the Rio Tinto group of companies. His experience extends over a broad range of commodities including iron ore, diamonds, base metals, coal, uranium, and industrial minerals both in Australia and internationally. Mr Randall was appointed a director on 8 September 2003.
<i>Other current Directorships</i>	Magnetite Mines Limited (since 2006).      Argosy Minerals Limited (since 2017). Spitfire Oil Ltd (since 2007).                      Hastings Technology Metals Ltd (since 2019). Kalium Lakes Limited (since 2016).
<i>Former Directorships in last three years</i>	MZI Resources Limited (formerly Matilda Zircon Ltd) from 2009 to 2016. Summit Resources Limited from 2007 to 2018.
<i>Special Responsibilities</i>	Chairman of Audit Committee from April 2013. Chairman of Nomination Committee from December 2004. Chairman of Remuneration Committee from April 2013.
<i>Interest in Shares and Options at the date of this report</i>	2,000,000    Fully paid ordinary shares.  750,000      Unquoted options expiring 26 February 2021 exercisable at 8 cents each.  2,000,000    Unquoted options expiring 23 February 2022 exercisable at 7 cents each.

<b>PHILIP G CRABB</b>	<b>Non-Executive Director</b>
<i>Qualifications</i>	<i>FAusIMM, MAICD</i>
<i>Skills and Experience</i>	Mr Crabb is a Fellow of the Australasian Institute of Mining and Metallurgy and a member of the Institute of Company Directors. Mr Crabb has been actively engaged in mineral exploration and mining activities for the past 49 years in both publicly listed and private exploration companies. He has considerable experience in field activities, having been a drilling contractor, quarry manager and mining contractor. Mr Crabb has extensive knowledge of the Australian Mining Industry and has experience with management of Australian publicly listed companies. Mr Crabb was re-appointed a director on 7 March 2012.
<i>Other current Directorships</i>	None.
<i>Former Directorships in last three years</i>	Aldershot Resources Limited from 2010 to 2018.
<i>Special Responsibilities</i>	Member of Nomination Committee from March 2012. Member of Audit Committee from March 2012.
<i>Interest in Shares and Options at the date of this report</i>	78,361,395    Fully paid ordinary shares.  750,000      Unquoted options expiring 26 February 2021 exercisable at 8 cents each.  3,000,000    Unquoted options expiring 23 February 2022 exercisable at 7 cents each.

## DIRECTORS' REPORT

<b>PHILIP F BRUCE</b>	<b>Non-Executive Director</b>
<i>Qualifications</i>	<i>BE(Mining), MAICD, FAusIMM</i>
<i>Skills and Experience</i>	Mr Bruce holds a Bachelor of Engineering (Mining) (Honours) from the University of New South Wales. He has a successful track record in the global minerals industry in exploration, evaluation, development, acquisitions, operations and senior corporate management. He is a mining engineer with extensive experience in Australia and overseas and has been instrumental in the growth of small and large resource companies including Plutonic Resources in its growth from \$30 million to over \$1 billion market capitalisation. He is also a Fellow of the Australasian Institute of Mining and Metallurgy and a member of the Institute of Company Directors. Mr Bruce was appointed a Director on 1 March 2019.
<i>Other current Directorships</i>	Latrobe Magnesium Limited (since 2003)
<i>Former Directorships in last three years</i>	Bassari Resources Limited from 2013 to 2019. Pure Alumina Limited (previously Hill End Gold Limited) from 2001 to 2017.
<i>Special Responsibilities</i>	None.
<i>Interest in Shares and Options at the date of this report</i>	1,064,517 Ordinary shares.

### COMPANY SECRETARY

**FRANK DEMARTE** *BBus (Acct), FGIA, FCIS, FAICD*

The Company Secretary is Mr Frank DeMarte. Mr DeMarte has over 36 years of experience in the mining and exploration industry in Western Australia and has held executive positions with a number of listed mining and exploration companies.

Mr DeMarte is experienced in areas of secretarial practice, management accounting and corporate and financial management. Mr DeMarte holds a Bachelor of Business majoring in Accounting and is a Fellow of the Governance Institute of Australia Ltd (formally the Chartered Secretaries of Australia) and a Fellow of the Australian Institute of Company Directors. Mr DeMarte was appointed to the position on 8 September 2003.

### SHARES UNDER OPTION

As at the date of this report, there were:

- 13,500,000 unissued ordinary shares of the Company under option as follows:

Date options issued	Expiry date	Exercise price of options	Number of options
26 February 2016	26 February 2021	\$0.08	3,000,000
24 February 2017	23 February 2022	\$0.07	8,000,000
19 December 2017	18 December 2020	\$0.04	2,500,000

During the financial year:

- 11,500,000 unquoted options exercisable at \$0.06 expired on 28 February 2019;
- 109,262,698 quoted options exercisable at \$0.05 expired on 30 September 2019; and
- 35,023 quoted options exercisable at \$0.05 were exercised.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any other entity.

Subsequent to the end of the financial year, 4,350,000 employee options exercisable at 6 cents each expired on 14 November 2019.

### CORPORATE GOVERNANCE STATEMENT

A copy of the Ora Gold Limited Corporate Governance Statement is available on the Company's website at [www.ora.gold/corporate-governance](http://www.ora.gold/corporate-governance):

## DIRECTORS' REPORT

### REMUNERATION REPORT (AUDITED)

This Remuneration Report details the nature and amount of remuneration for each of the directors and other senior management personnel of the Company.

#### (a) Details of Key Management Personnel

The following persons were key management personnel of Ora Gold Limited during the financial year:

Rick W Crabb	Non-Executive Chairman	Philip G Crabb	Non-Executive Director
Frank DeMarte	Executive Director	Philip F Bruce	Non-Executive Director
Malcolm R J Randall	Non-Executive Director		

#### (b) Compensation of Key Management Personnel

##### (i) Compensation Policy

The Company's remuneration policy for executive directors is designed to promote superior performance and long term commitment to the Company. Executives receive a base remuneration, which is market related. Overall, the remuneration policy is subject to the discretion of the Board and can be altered to reflect the competitive market and business conditions, where it is in the best interest of the Company and the shareholders to do so.

The Board's reward policy reflects its obligations to align executives' remuneration with shareholders' interests and to retain appropriately qualified executive talent for the benefit of the Group. The main principles of the policy are:

- Reward reflects the competitive market in which the Group operates;
- Individual reward should be linked to performance criteria; and
- Executives should be rewarded for both financial and non-financial performance.

Directors' and executives' remuneration is reviewed by the board of directors, having regard to various goals set. This remuneration and other terms of employment are commensurate with those offered within the exploration and mining industry.

Non-executive directors' remuneration is in the form of directors' fees and are approved by shareholders as to the maximum aggregate remuneration. The Board recommends the actual payment to non-executive directors. The Board's reward policy for non-executive directors reflects its obligation to align remuneration with shareholders' interests and to retain appropriately qualified talent for the benefit of the Group.

Remuneration packages are set at levels that are intended to attract and retain directors and executives capable of managing the Group's operations.

##### (A) Remuneration Committee

The Remuneration Committee is responsible for determining and reviewing compensation arrangements for the directors and all other key management personnel.

The Remuneration Committee assesses the appropriateness of the nature and amount of compensation of key management personnel on an annual basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

##### (B) Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive director and executive compensation is separate and distinct.

##### (C) Non-Executive Director Compensation

###### *Objective*

The Board seeks to set aggregate compensation at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

###### *Structure*

The Constitution and the ASX Listing Rules specify that the aggregate compensation of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed.

The amount of aggregate compensation sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually.

## DIRECTORS' REPORT

### REMUNERATION Report (Audited) (continued)

#### (b) Compensation of Key Management Personnel (continued)

The Board considers advice from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each director receives a fee for being a director of the Company. An additional fee may also be paid for each Board committee on which a director sits. The payment of additional fees for serving on a committee recognises the additional time commitments required by directors who serve on one or more sub committees.

Non-executive directors have long been encouraged by the Board to hold shares in the Company (purchased by the director on market). It is considered good governance for directors to have a stake in the Company on whose board they sit. The compensation of non-executive directors for the year ended 30 September 2019 is detailed as per the disclosures on page 43.

#### (D) Executive Compensation

##### *Objective*

The entity aims to reward executives with a level and mix of compensation commensurate with their position and responsibilities within the entity so as to:

- reward executives for company, business unit and individual performance against targets set by remuneration committee to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link rewards with the strategic goals and performance of the Company; and
- ensure total compensation is competitive by market standards.

##### *Structure*

In determining the level and make-up of executive remuneration, the remuneration committee will review individual performance, relevant comparative compensation in the market and internally and, where appropriate, external advice on policies and practices.

#### (E) Fixed Compensation

##### *Objective*

Fixed compensation is reviewed annually by the Remuneration Committee. The process consists of a review of companywide, business unit and individual performance, relevant comparative compensation in the market and internally and, where appropriate, external advice on policies and practices.

##### *Structure*

Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

#### (F) Other Compensation

Notwithstanding Guideline 8.2 of the ASX Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations which provides that non-executive Directors should not receive Options, the Directors consider that the grant of the options is designed to encourage the Directors to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership.

Under the Company's current circumstances the granting of options is an incentive to each of the Directors, which is a cost effective and efficient reward for the Company, as opposed to alternative forms of incentive, such as the payment of additional cash compensation to the Directors.

## DIRECTORS' REPORT

### REMUNERATION REPORT (AUDITED) (continued)

#### (b) Compensation of Key Management Personnel (continued)

Details of the remuneration of each director of Ora Gold Limited and other key management personnel, including their personally related entities are set out below:

Remuneration of key management personnel for the year ended 30 September 2019

Names		Short-Term			Post Employment	Other Long Term	Share Based Payment	Total \$	% Remuneration
		Salary & Directors Fees	Annual Leave Movement	Other	Superannuation	Long Service Leave	Equity Options		Consisting of Options for the Year
<b>Executive Director</b>									
Frank DeMarte	<b>2019</b>	<b>200,000</b>	<b>(902)</b>	<b>7,730</b>	<b>19,000</b>	<b>(10,464)</b>	-	<b>215,364</b>	-
	2018	200,000	(975)	8,730	19,000	9,487	-	236,242	-
<b>Non-Executive Directors</b>									
Rick W Crabb	<b>2019</b>	<b>37,462</b>	-	-	<b>3,559</b>	-	-	<b>41,021</b>	-
	2018	42,404	-	-	4,028	-	-	46,432	-
Malcolm R J Randall	<b>2019</b>	<b>37,462</b>	-	-	<b>3,559</b>	-	-	<b>41,021</b>	-
	2018	49,000	-	-	4,655	-	-	53,655	-
Philip G Crabb	<b>2019</b>	<b>35,192</b>	-	-	<b>3,343</b>	-	-	<b>38,535</b>	-
	2018	90,000	-	1,611	8,550	-	-	100,161	-
Philip F Bruce (1)	<b>2019</b>	<b>28,301</b>	-	-	<b>2,689</b>	-	<b>4,102</b>	<b>35,092</b>	<b>12%</b>
	2018	-	-	-	-	-	-	-	-
<b>Executive</b>									
Antony L Lofthouse (2)	<b>2019</b>	<b>144,231</b>	<b>30,363</b>	<b>125,000</b>	<b>25,760</b>	<b>29,552</b>	-	<b>354,906</b>	
	2018	250,000	1,667	7,469	23,750	-	17,881	300,767	6%
<b>Totals</b>	<b>2019</b>	<b>482,648</b>	<b>29,461</b>	<b>132,730</b>	<b>57,910</b>	<b>19,088</b>	<b>4,102</b>	<b>725,939</b>	<b>1%</b>
	2018	631,404	692	17,810	59,983	9,487	17,881	737,257	2%

- (1) P F Bruce was appointed a director 1 March 2019. The grant of options to Mr Bruce is subject to shareholder approval, however the value of the options are being expensed over the vesting period commencing on his appointment date in accordance with AASB2.
- (2) A L Lofthouse ceased as the CEO on 30 April 2019. The other payment of \$125,000 relates to a 6 month payment in lieu of 6 months' notice. The movement in annual leave and long service leave relates to the balance of leave entitlements paid out on cessation of employment.

## DIRECTORS' REPORT

### REMUNERATION REPORT (AUDITED) (continued)

#### (c) Employment Agreements for Key Management Personnel

Name	Base salary	Terms of Engagement	Notice Period
F DeMarte (1)	\$200,000	No fixed term	Twelve months
A L Lofthouse (2)	\$250,000	No fixed term	Six months

- (1) Base salary of \$200,000 effective 1 July 2014, reviewed annually. Payment of a benefit on early termination by the Company, other than gross misconduct, equal to 12 months base salary including superannuation, subject to the termination benefit provisions in Pt 2D.2 – Division 2 of the Corporations Act 2001.
- (2) Base salary of \$250,000 effective 1 July 2014, reviewed annually. Payment of a benefit on early termination by the Company, other than gross misconduct, equal to 6 months base salary including superannuation and entitlements. Mr Lofthouse ceased as the CEO on 30 April 2019.

#### (d) Shareholdings of Key Management Personnel (Consolidated and Parent Entity)

The number of shares held in Ora Gold Limited during the financial year.

30 September 2019	Balance 1 October 2018	Granted as Remuneration	On Exercise of Options	Net Change Other	Balance 30 September 2019
R W Crabb	3,485,392	-	-	1,500,000	4,985,392
P G Crabb	76,627,697	-	-	1,733,698	78,361,395
F DeMarte	6,911,740	-	-	250,000	7,161,740
M R J Randall	1,960,000	-	-	40,000	2,000,000
P F Bruce (1)	-	-	-	1,064,517	1,064,517
A L Lofthouse (2)	5,740,000	-	-	-	5,740,000
Total	94,724,829	-	-	4,588,215	99,313,044

- (1) P F Bruce was appointed a director 1 March 2019.
- (2) A L Lofthouse ceased as the CEO on 30 April 2019. The balance of 5,740,000 represents Mr Lofthouse's shareholding on cessation of employment.

30 September 2018	Balance 1 October 2017	Granted as Remuneration	On Exercise of Options	Net Change Other	Balance 30 September 2018
P G Crabb	75,727,697	-	-	900,000	76,627,697
F DeMarte	6,811,740	-	-	100,000	6,911,740
M R J Randall	1,960,000	-	-	-	1,960,000
R W Crabb (1)	-	-	-	3,485,392	3,485,392
A L Lofthouse	5,740,000	-	-	-	5,740,000
Total	90,239,437	-	-	4,485,392	94,724,829

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Company would have adopted if dealing at arm's length.

## DIRECTORS' REPORT

### REMUNERATION REPORT (AUDITED) (continued)

#### (e) Share Based Compensation Options

During the financial year no options were granted as equity compensation benefits to key management personnel. No options have been granted since the end of the year to key management personnel. For further details relating to options, refer to note 19.

Compensation Options: Granted and vested during the year ended 30 September 2019.

30 September 2019	Terms and Conditions for each Grant							
Key Management Personnel	Number Vested	Number Granted	Grant Date	Fair Value per option at Grant Date (\$) (Note 19)	Exercise Price per option (\$) (Note 19)	Expiry Date	First Exercise Date	Last Exercise Date
R W Crabb	-	-	-	-	-	-	-	-
F DeMarte	-	-	-	-	-	-	-	-
M R J Randall	-	-	-	-	-	-	-	-
P F Bruce (1)	-	-	-	-	-	-	-	-
P G Crabb	-	-	-	-	-	-	-	-
A L Lofthouse (2)	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

(1) P F Bruce was appointed a director 1 March 2019. (2) A L Lofthouse ceased as the CEO on 30 April 2019.

Compensation Options: Granted and vested during the year ended 30 September 2018.

30 September 2018	Terms and Conditions for each Grant							
Key Management Personnel	Number Vested	Number Granted	Grant Date	Fair Value per option at Grant Date (\$) (Note 19)	Exercise Price per option (\$) (Note 19)	Expiry Date	First Exercise Date	Last Exercise Date
P G Crabb	-	-	-	-	-	-	-	-
F DeMarte	-	-	-	-	-	-	-	-
M R J Randall	-	-	-	-	-	-	-	-
R W Crabb	-	-	-	-	-	-	-	-
A L Lofthouse	1,500,000	1,500,000	19/12/17	\$0.012	\$0.04	18/12/20	19/12/17	18/12/20
Total	1,500,000	1,500,000						

## DIRECTORS' REPORT

### REMUNERATION REPORT (AUDITED) (continued)

**(f) Shares Issued on exercise of compensation options**

No shares were issued to key management personnel on exercise of compensation options for the year ended 30 September 2019. No key management personnel exercised compensation options during the year ended 30 September 2018.

**(g) Options granted as part of remuneration**

The following table summarises the value of options granted, exercised or lapsed for the year ended 30 September 2019.

30 September 2019	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	% Remuneration Consisting of Options for the year
P G Crabb	-	-	-	-
F DeMarte	-	-	76,538	-
M R J Randall	-	-	22,962	-
R W Crabb	-	-	-	-
P F Bruce (1)	21,094	4,102	-	12%
A L Lofthouse (2)	-	-	76,538	-
<b>Total</b>	<b>21,094</b>	<b>4,102</b>	<b>176,038</b>	<b>12%</b>

(1) P F Bruce was appointed a director 1 March 2019. The grant of options to Mr Bruce is subject to shareholder approval, however the estimated value of the options are being expensed over the vesting period commencing on his appointment date in accordance with AASB2.

(2) A L Lofthouse ceased as the CEO on 30 April 2019.

There were no alterations to the terms and conditions of options granted as remuneration since their grant. The value of the options exercised during the year is calculated as the market price of shares of the Company on the Australian Securities Exchange as at the close of trading on the date the options were exercised after deducting the price paid to exercise the options. Options issued to employees vest on the basis that continual employment with the Company is achieved. All employees leaving while options are vesting will forfeit their options. Director options vest on date of issue. For details on the valuation of the options, including models and assumptions used, please refer to Note 19. There were no alterations to the terms and conditions of options granted as remuneration since their grant date.

The following table summarises the value of options granted, exercised or lapsed for the year ended 30 September 2018.

30 September 2018	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	% Remuneration Consisting of Options for the year
P G Crabb	-	-	-	-
F DeMarte	-	-	-	-
M R J Randall	-	-	-	-
R W Crabb	-	-	-	-
A L Lofthouse	17,881	-	-	6%
<b>Total</b>	<b>17,881</b>	<b>-</b>	<b>-</b>	<b>6%</b>



## DIRECTORS' REPORT

### REMUNERATION REPORT (AUDITED) (continued)

#### (h) Clawback Policy

The Company's Employee Option Incentive Plan includes provisions that if the Board becomes aware of a material misstatement in the Company's financial statements or some other event has occurred which, as a result, means that the vesting conditions in respect of certain vested options were not, or should not have been determined to have been, satisfied, then the holder will cease to be entitled to those vested options (**Affected Options**) and the Board may take various actions, including: cancelling the relevant Affected Options for no consideration; requiring that the holder pay to the Company the after tax value of the Affected Options which have been converted into Shares or adjusting fixed remuneration, incentives or participation in the option incentive plan of a relevant holder in the current year or any future year to take account of the after tax value of the Affected Options.

#### (i) Equity instruments

Analysis of options and rights over equity instruments granted as compensation. Details of vesting profiles of the options granted as remuneration to each key management personnel of the group are detailed below:

	Number of options granted	Grant Date of options	Exercise Price of options \$	Fair Value of Options on Grant Date \$	Financial year in which Options Expire
Executive Directors					
F DeMarte	3,000,000	24/02/17	\$0.07	\$0.0246	2022
	1,500,000	26/02/16	\$0.08	\$0.237	2021
Non-Executive Directors					
R W Crabb	-	-	-	-	-
P G Crabb	3,000,000	24/02/17	\$0.07	\$0.0246	2022
	750,000	26/02/16	\$0.08	\$0.237	2021
M R J Randall	2,000,000	24/02/17	\$0.07	\$0.0246	2022
	750,000	26/02/16	\$0.08	\$0.237	2021
P F Bruce	-	-	-	-	-
Chief Executive Officer					
A L Lofthouse	1,500,000	19/12/17	\$0.04	\$0.0119	2020

#### (j) Loans to key management personnel

There were no loans made to key management personnel during the year ended 30 September 2019.

#### (k) Other transactions with key management personnel and their related parties

During the year the Company enter into a Loan Facility Agreement with Ioma Pty Ltd as trustee for the Gemini Trust (an entity associated with director Mr PG Crabb) to provide the Company with funding of up to \$1,000,000. The amount drawn accrues interest at 7% per annum and the loan is repayable on the later of, the date that is 2 years from the date of the first Drawdown, or the date that is 2 years from the date of the Loan Facility Agreement. The Loan Facility for \$1 million was fully drawn by the Company during the year and a Deed of Variation to the Loan Facility Agreement increasing the Facility Limit from \$1,000,000 to \$2,000,000 was entered into by the Company on 2 September 2019. At 30 September 2019, \$1,250,000 was drawn down by the Company and \$19,907 in interest was accrued during the year.

## DIRECTORS' REPORT

### REMUNERATION REPORT (AUDITED) (continued)

#### (I) Option holdings of Key Management Personnel (Consolidated and Parent Entity)

The number of options over ordinary shares held in Ora Gold Limited during the financial year.

30 September 2019	Balance at beginning of period 1 October 2018	Granted as Remuneration	Options Exercised	Options Expired	Net Change Other	Balance at end of period 30 September 2019	Vested at 30 September 2019		
							Total	Exercisable	Not Exercisable
F DeMarte	10,428,274	-	-	(5,928,274)	-	4,500,000	4,500,000	4,500,000	-
M R J Randall	4,530,000	-	-	(1,780,000)	-	2,750,000	2,750,000	2,750,000	-
P G Crabb	13,750,000	-	-	(10,000,000)	-	3,750,000	3,750,000	3,750,000	-
R W Crabb	497,915	-	-	(497,915)	-	-	-	-	-
P F Bruce (1)	-	-	-	-	-	-	-	-	-
A L Lofthouse (2)	10,320,000	-	-	(5,820,000)	-	4,500,000	4,500,000	4,500,000	-
Total	39,526,189	-	-	(24,026,189)	-	15,500,000	15,500,000	15,500,000	-

(1) P F Bruce was appointed a director 1 March 2019. As part of Mr Bruce's employment agreement Mr Bruce is entitled to 10,000,000 options which are subject to shareholder approval at the forthcoming Annual General Meeting and therefore the options have not yet been issued at the date of this report.

(2) AL Lofthouse ceased as the CEO on 30 April 2019 and the balance of 4,500,000 represents the options held on cessation.

30 September 2018	Balance at beginning of period 1 October 2017	Granted as Remuneration	Options Exercised	Options Expired	Net Change Other	Balance at end of period 30 September 2018	Vested at 30 September 2018		
							Total	Exercisable	Not Exercisable
F DeMarte	9,500,000	-	-	-	928,274	10,428,274	10,428,274	10,428,274	-
M R J Randall	4,250,000	-	-	-	280,000	4,530,000	4,530,000	4,530,000	-
P G Crabb	3,750,000	-	-	-	10,000,000	13,750,000	13,750,000	13,750,000	-
R W Crabb	-	-	-	-	497,915	497,915	497,915	497,915	-
A L Lofthouse	10,000,000	1,500,000	-	(2,000,000)	820,000	10,320,000	10,320,000	10,320,000	-
Total	27,500,000	1,500,000	-	(2,000,000)	12,526,189	39,526,189	39,526,189	39,526,189	-

## DIRECTORS' REPORT

### DIRECTORS' MEETINGS

The following table sets out the number of meetings of directors held during the year and the number of meetings attended by each director:

Name	Board of Directors' Meetings		Audit Committee Meetings		Remuneration Committee Meetings		Nomination Committee Meetings	
	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend
M R J Randall	5	5	2	2	-	-	1	1
F DeMarte (1)	4	5	2	2	-	-	1	1
P G Crabb	5	5	2	2	-	-	1	1
R W Crabb	5	5	-	-	-	-	1	1
P F Bruce (2)	3	3	-	-	-	-	-	-

(1) F DeMarte, who is the Company's Company Secretary and Chief Financial Officer, attends the Audit Committee meetings by invitation only.

(2) P F Bruce was appointed an additional director on 1 March 2019.

### Committee Memberships

As at the date of this report, the Company had an Audit Committee, Remuneration Committee and a Nomination Committee.

Audit	Remuneration	Nomination
M R J Randall (C)	M J Randall (C)	M J Randall (C)
P G Crabb	P G Crabb	F DeMarte
R W Crabb	R W Crabb	P G Crabb
		R W Crabb
		P F Bruce

Note: (C) Designates the Chairman of the Committee.

### RESIGNATION, ELECTION AND CONTINUATION IN OFFICE

In accordance with the Constitution of the Company, Philip Bruce and Philip Crabb being eligible, will offer themselves for re-election at the Annual General Meeting.

### PROCEEDINGS ON BEHALF OF THE COMPANY

William Richmond commenced proceedings on 1 June 2018 in the Federal Court of Australia against Ora Gold Limited (previously known as Thundelarra Limited) (Ora Gold) and Sandfire Resources NL (Sandfire) (Proceedings). Mr Richmond seeks unspecified damages from Ora Gold and Sandfire. The claims primarily relate to allegations about Ora Gold and Sandfire's conduct prior to May 2012 in relation to mining tenement M52/597.

Ora Gold Limited filed and served its defence on 3 October 2019. Ora Gold continues to deny liability in respect of the allegations the subject of the Proceedings and denies that Mr Richmond is entitled to any relief claimed. Ora Gold maintains its opinion that Mr Richmond's allegations are without merit, and Ora Gold will vigorously defend the Proceedings.

Now that all major issues with the pleadings have been resolved, the case will move into the discovery phase. If the matter is not resolved, it is likely that it will proceed to a trial in late-2020 or early-2021.

### INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company paid premiums to insure the Directors and Officers of the Company against liabilities for costs and expenses that may be incurred by the Directors in defending civil or criminal proceedings that may be brought against the Directors and Officers in their capacity as officers of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

## DIRECTORS' REPORT

### NON-AUDIT SERVICES

No fees were paid or payable to Stantons International for non-audit services provided during the year ended 30 September 2019.

### AUDITOR INDEPENDENCE

The auditor's independence declaration for the year ended 30 September 2019 has been received and can be found on page 76.

Signed in accordance with a resolution of the directors.



**FRANK DEMARTE**  
Executive Director

Perth, Western Australia

Dated in Perth this 19 of December 2019

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Note	Consolidated	
		2019	2018
		\$	\$
<b>REVENUE FROM CONTINUING OPERATIONS</b>			
Revenue	4(a)	17,349	94,099
Other income	4(b)	878	235,368
		<u>18,227</u>	<u>329,467</u>
<b>EXPENDITURE</b>			
Amortisation and depreciation		(49,771)	(60,529)
Employee benefits expense	4(c)	(4,102)	(30,000)
Exploration expenditure written off or impaired	4(d)	(1,507,295)	(4,177,164)
Administration expenses	4(e)	(1,753,477)	(1,197,284)
<b>Loss from continuing operations before income tax expense</b>		<b>(3,296,418)</b>	<b>(5,135,510)</b>
Income tax (expense)/benefit	5	-	-
<b>Net loss from continuing operations for the year</b>		<b>(3,296,418)</b>	<b>(5,135,510)</b>
<b>Other comprehensive income</b>			
Item that will not be reclassified to profit or loss		-	-
Item that may be reclassified subsequently to profit or loss		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>(3,296,418)</b>	<b>(5,135,510)</b>
<b>Net Loss attributable to members of the parent entity</b>		<b>(3,296,418)</b>	<b>(5,135,510)</b>
<b>Comprehensive income/(loss) attributable to members of the parent entity</b>		<b>(3,296,418)</b>	<b>(5,135,510)</b>
Loss per share attributable to ordinary equity holders:			
Basic loss (cents per share)	7	(0.51)	(0.81)
Diluted loss (cents per share)	7	(0.51)	(0.81)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 30 SEPTEMBER 2019

	Note	Consolidated	
		2019	2018
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6(b)	168,236	1,472,031
Trade and other receivables	8	46,844	19,107
Other financial assets	9	17,684	308,831
<b>TOTAL CURRENT ASSETS</b>		<u>232,764</u>	<u>1,799,969</u>
<b>NON-CURRENT ASSETS</b>			
Other receivables	8	174,748	246,613
Property, plant and equipment	10	107,527	144,547
Exploration expenditure	12	-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<u>282,275</u>	<u>391,160</u>
<b>TOTAL ASSETS</b>		<u>515,039</u>	<u>2,191,129</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	291,640	76,777
Provisions	14	187,774	200,028
<b>TOTAL CURRENT LIABILITIES</b>		<u>479,414</u>	<u>276,805</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	14	-	31,749
Borrowings	15	1,269,907	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>1,269,907</u>	<u>31,749</u>
<b>TOTAL LIABILITIES</b>		<u>1,749,321</u>	<u>308,554</u>
<b>NET (LIABILITIES)/ASSETS</b>		<u>(1,234,282)</u>	<u>1,882,575</u>
<b>EQUITY</b>			
Contributed equity	16(a)	62,535,711	62,360,252
Reserves	16(d)	8,228,475	8,224,373
Accumulated losses	17	(71,998,468)	(68,702,050)
<b>TOTAL EQUITY/(DEFICIENCY)</b>		<u>(1,234,282)</u>	<u>1,882,575</u>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED 30 SEPTEMBER 2019

CONSOLIDATED	Notes	Contributed Equity \$	Reserves \$	Accumulated Losses \$	Total \$
<b>Balance at 1 October 2017</b>		59,692,721	8,194,373	(63,566,540)	4,320,554
<b>Total comprehensive income for the year</b>					
Profit/(Loss) for the year		-	-	(5,135,510)	(5,135,510)
<b>Total comprehensive income/(loss) for the year</b>		-	-	(5,135,510)	(5,135,510)
<b>Transactions with owners recorded directly in equity:</b>					
Cost of share based payments	16(d)	-	30,000	-	30,000
Shares issued during the year	16(b)	2,672,850	-	-	2,672,850
Transaction costs	16(b)	(5,319)	-	-	(5,319)
		2,667,531	30,000	-	2,697,531
<b>Balance at 30 September 2018</b>		62,360,252	8,224,373	(68,702,050)	1,882,575

CONSOLIDATED	Notes	Contributed Equity \$	Reserves \$	Accumulated Losses \$	Total \$
<b>Balance at 1 October 2018</b>		62,360,252	8,224,373	(68,702,050)	1,882,575
<b>Total comprehensive income for the year</b>					
Profit/(Loss) for the year		-	-	(3,296,418)	(3,296,418)
<b>Total comprehensive income/(loss) for the year</b>		-	-	(3,296,418)	(3,296,418)
<b>Transactions with owners recorded directly in equity:</b>					
Cost of share based payments	16(d)	-	4,102	-	4,102
Shares issued during the year	16(b)	176,000	-	-	176,000
Shares to be issued	16(b)	1,751	-	-	1,751
Transaction costs	16(b)	(2,292)	-	-	(2,292)
		175,459	4,102	-	179,561
<b>Balance at 30 September 2019</b>		62,535,711	8,228,475	(71,998,468)	(1,234,282)

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Note	Consolidated	
		2019	2018
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payment to suppliers		(1,564,580)	(1,351,463)
Interest received		24,896	95,122
Net cash (outflow)/inflows from operating activities	6(a)	<u>(1,539,684)</u>	<u>(1,256,341)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for tenements		-	-
Payments for purchase of plant and equipment		(13,291)	(92,999)
Proceeds from sale of investments		108,276	-
Proceeds from sale of plant and equipment		2,600	-
Proceeds from sale of tenements		-	110,000
Redemption of security deposits		71,865	1,993
Exploration and evaluation expenditure		(1,182,269)	(4,179,206)
Net cash outflow from investing activities		<u>(1,012,819)</u>	<u>(4,160,212)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net proceeds from issue of shares and options		1,000	2,322,438
Proceeds from borrowings		1,250,000	-
Share issue costs		(2,292)	(64,167)
Net cash inflow from financing activities		<u>1,248,708</u>	<u>2,258,271</u>
Net (decrease)/increase in cash and cash equivalents held		(1,303,795)	(3,158,282)
Cash and cash equivalents at the beginning of the financial year		1,472,031	4,630,313
Cash and cash equivalents at the end of the financial year	6(b)	<u>168,236</u>	<u>1,472,031</u>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 1. CORPORATE INFORMATION

The consolidated financial statements of Ora Gold Limited (Company)(formerly Thundelarra Limited) comprise the Company and its subsidiaries (together referred to as the "Group") for the year ended 30 September 2019 was authorised for issue in accordance with a resolution of the directors on 19 December 2019. Ora Gold Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange Ltd.

Separate financial statements of Ora Gold Limited as an individual entity are no longer presented as the consequence of a change on the Corporations Act 2001, however required financial information for Ora Gold Limited as an individual entity is included in note 11.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards (including Australian Accounting Standards and Interpretations).

The financial report has also been prepared on a historical basis and the accruals basis modified where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### Going Concern

The accounts have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and liabilities in the normal course of business.

The Group recorded a loss of \$3,296,418 for the year ended 30 September 2019. Total exploration expenditure recognised in the year is \$1,507,295. The Group had cash assets of \$168,236 at 30 September 2019 and other financial assets or investments held for trading valued at \$17,684 at the reporting date. The directors believe the going concern basis of preparation is appropriate.

The Company agreed terms of an unsecured Loan Facility from Ioma Pty Ltd (Ioma), an entity associated with a director of the Company, Mr Philip Crabb on the 17 May 2019 (Loan Facility Agreement), to assist the Company with its general working capital requirements. Ioma will provide the Company with funding of up to \$1,000,000.

The Loan Facility for \$1 million was fully drawn by the Company during the reporting period and Ioma offered to increase the funding available to the Company under the Loan Facility Agreement from \$1,000,000 to \$2,000,000 to provide the Company with further funding.

A Deed of Variation to the Loan Facility Agreement was executed on 4 September 2019 increasing the Facility Limit from \$1,000,000 to \$2,000,000.

The loan is repayable on the later of:

- (a) the date that is 2 years from the date of the first Drawdown; or
- (b) the date that is 2 years from the date of the Loan Facility Agreement (Maturity Date).

The Directors consider these funds, combined with additional funds from any capital raising to be sufficient for the planned expenditure on the exploration projects for the ensuing 12 months as well as for corporate and administrative overhead costs.

The Directors also believe that they have the capacity to raise additional capital should that become necessary. For these reasons, the Directors believe the going concern basis of preparation is appropriate.

#### (b) Statement of compliance

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 September 2019 and are outlined below under note 7(e).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 SEPTEMBER 2019

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (b) Statement of compliance (continued)

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). The Consolidated financial report also complies with International Financial Reporting Standards (IFRS).

##### (c) Adoption of New and Revised Accounting Standards

Amendments to Accounting Standards and new Interpretations that are mandatorily effective for the current year.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

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

- AASB 9 Financial Instruments and related amending Standards.
- AASB 15 Revenue from Contracts with Customers and relating amending Standards.
- AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurements of Share-based Payment Transactions.

##### *AASB 9 Financial Instruments and related amending Standards*

The Standard replaces AASB 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment, and hedge accounting.

At the date of adoption, the Group had available for sale financial assets for which the Group made an irrevocable election to classify and subsequently measure at Fair Value through profit and loss. Being this valuation in line to the one previously adopted under AASB 139, the adoption of AASB 9 does not have a significant impact on the financial report.

##### *AASB 15 Revenue from Contracts with Customers and relating amending Standards.*

The Standard replaces the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 applies to all contracts with customers as well as non-monetary exchanges for goods and services. AASB 15 provides the following five-step process:

- identify the contract(s) with the customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise the revenue when (or as) the performance obligations are satisfied.

The adoption of AASB 15 does not have a significant impact on the Group as the Group does not currently have any revenue from customers.

##### *AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurements of Share-based Payment Transactions.*

The amendments to AASB 2 Share-based Payment addresses three main areas:

- the effect of vesting conditions on the measurement of a cash-settled share-based payment transaction;
- the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and
- accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 SEPTEMBER 2019

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The adoption of these Amendments/Interpretation has had no significant impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

##### (d) Fair value of assets and liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

##### *Valuation techniques*

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (d) Fair value of assets and liabilities (continued)

##### *Fair value hierarchy*

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

##### *Level 1*

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

##### *Level 2*

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

##### *Level 3*

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- (i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- (ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

#### (e) Other Australian Accounting Standards and Interpretations on issue but not yet effective

*AASB 16: Leases applies to annual reporting periods beginning on or after 1 January 2019.*

This Standard supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, AASB interpretation 115 Operating Leases-Incentives and AASB interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of Lease. AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117.

The key features of AASB 16 are as follows:

- Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value;
- A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities;
- **Assets and liabilities** Assets and Liabilities arising from the lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), (including inflation-linked payments) and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease; and
- AASB 16 contains disclosure requirements for leases.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Board have conducted a preliminary assessment and concluded that at this stage there is no quantifiable impact on the application of the standard due to the uncertainty concerning the renewal of the existing lease agreement for the office premises due to expire in less than 12 months.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

#### (f) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent Ora Gold Limited and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it 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. A list of the subsidiaries is provided in Note 22.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

#### (g) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimate and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

##### *Share based payment transactions*

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes option pricing model, using the assumptions detailed in note 19.

##### *Mineral Exploration and Evaluation*

Exploration and evaluation expenditure is accumulated in respect of each identifiable area of interest. These costs may be carried forward in respect of an area that has not at balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area of interest are continuing. The ultimate recoupment of the costs carried forward is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

##### *Impairment of assets*

The Group assesses each cash generating unit annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (g) Significant accounting estimates and assumptions (continued)

Cash flows are discounted by an appropriate discount rate to determine the net present value. Management has assessed its cash generating units as being an individual mine site, which is the lowest level for which cash flows are largely independent of other assets.

#### (h) Deferred taxation

Judgement is required in determining whether deferred tax assets are recognised on the statement of financial position. Deferred tax assets, including those arising from un-utilised tax losses, require management to assess the likelihood that the Group will generate taxable earnings in future periods, in order to utilise recognised deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

#### (i) Revenue recognition

The Group has applied AASB 15 Revenue from Contracts with Customers using the cumulative effective method. Therefore, the comparative information has not been restated and continues to be presented under AASB 118 Revenue and AASB 111 Construction Contracts. The Group does not have any revenue from contracts with customers.

#### (j) Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flow, cash and cash equivalents consist of cash and cash equivalents as detailed above, net of outstanding bank overdrafts.

#### (k) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components when they are recognised at fair value. The Group holds the trade receivables with the objective to collect contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and calculations of the loss allowance are provided in note 2(y).

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

#### (l) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 SEPTEMBER 2019

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (l) Income tax (continued)

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and 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.

##### (m) Other taxes

Revenues, expenses and assets are recognised net of amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the assets or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

##### (n) Plant and equipment

Plant and equipment is stated at cost less any accumulated depreciation and any impairment losses.

###### (i) Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

- Leasehold improvements – over 5 years or period of lease
- Plant and equipment – over 4 to 10 years
- Motor vehicles – over 4 years
- Office equipment – over 5 to 8 years

###### (ii) Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (n) Plant and equipment (continued)

The recoverable amount of plant and equipment is the greater 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 item value of money and the risks specific to the asset.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is being derecognised.

#### (o) Exploration expenditure

(i) Exploration, development and joint venture expenditure carried forward represents an accumulation of net costs incurred in relation to separate areas of interest for which rights of tenure are current and in respect of which:

- (a) such costs are expected to be recouped through successful development and exploitation of the area, or alternatively by its sale, or
- (b) exploration and/or evaluation activities in the area have not yet 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 areas are continuing.

Accumulated costs in respect of areas of interest, which are abandoned, are written off in the income statement in the year in which the area is abandoned.

The net carrying value of each property is reviewed regularly and, to the extent to which this value exceeds its recoverable amount that excess is fully provided against in the financial year in which this is determined. For the years ended 30 September 2019 and 2018 the Group chose not to carry forward the value of exploration expenditure and fully provided for the carrying value of all exploration properties.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development. Prior to the reclassification, capitalised exploration and evaluation expenditure is assessed for impairment.

#### (p) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

#### (q) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 SEPTEMBER 2019

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (r) Employee leave benefits

###### (i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

###### (ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of the employee departures, and periods of service. Where it is material expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

##### (s) Earnings per share

(i) Basic earnings per share ("EPS") is calculated by dividing the net profit/loss attributable to members for the reporting period, after excluding any costs of servicing equity, by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

(ii) Diluted EPS is calculated by dividing the basic EPS, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on net revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus issue.

##### (t) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

##### (u) Borrowing costs

Borrowing costs are recognised as an expense when incurred. Alternatively, borrowing costs can be capitalised for qualifying assets.

##### (v) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Lease incentives are recognised in the income statement as an integral part of the total lease expense.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (w) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

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. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

#### (x) Interests in joint arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a "joint venture" and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement.

The Group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

Details of the Group's interests in joint arrangements are provided in Note 23.

#### (y) Financial Instruments

##### *Recognition, initial measurement and derecognition*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transaction costs, except for those carried at 'fair value through profit or loss', in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 SEPTEMBER 2019

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (y) Financial Instruments (continued)

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

##### *Classification and measurement*

##### *Financial assets*

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

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

- the contractual cash flow characteristics of the financial assets; and
- the Group's business model for managing the financial asset.

##### *Financial assets at amortised cost*

Financial assets are measured at amortised cost if the assets meet with the following conditions (and are not designated as FVPL);

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

##### *Financial assets at fair value through other comprehensive income*

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* and are not held for trading.

##### *Financial assets at fair value through profit or loss (FVPL)*

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *Financial liabilities*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

#### *Impairment*

From 1 July 2018, the Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### *Comparative information*

The Group has applied AASB 9 Financial Instruments retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

#### *Classification*

Until 30 June 2018, the Group classified its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- loans and receivables;
- held-to-maturity investments; and

available for sale financial assets.

The classification depended on the purpose for which the investments were acquired. Management determined the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluated this designation at the end of each reporting period.

#### **(z) Share-based payment transactions**

##### *Equity settled transactions:*

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). There is currently one plan in place the Employee Share Option, which provides benefits to all employees, excluding directors.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes option pricing model, further details of which are given in note 19.

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). There is currently one plan in place the Employee Share Option, which provides benefits to all employees, excluding directors.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (z) Share-based payment transactions (continued)

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes option pricing model, further details of which are given in note 19.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Ora Gold Limited (market conditions) if applicable. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of the period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition. If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see note 7).

### (aa) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

### (ab) Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicated that the carrying value may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

### **3. SEGMENT INFORMATION**

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Consolidated	
	2019 \$	2018 \$
<b>4. REVENUE AND EXPENSES</b>		
(a) Revenue		
Interest income from non-related parties	17,349	94,099
(b) Other Revenue		
Net gain on disposal of fixed assets (4(f))	878	-
Net gain on disposal of tenements (4(g))	-	109,474
Increase in market value of investments	-	125,894
	<u>878</u>	<u>235,368</u>
Total Revenues	<u>18,227</u>	<u>329,467</u>
(c) Employee Benefits Expenses		
Share based payments expense	<u>(4,102)</u>	<u>(30,000)</u>
The share based payments expense relates to the requirement to recognise the cost of granting options to Directors and employees under AIFRS over the option vesting period.		
(d) Exploration Expenditure Written Off		
Exploration expenditure written-off or impaired	<u>(1,507,295)</u>	<u>(4,177,164)</u>
(e) Administration Expenses		
Administrative costs	(5,823)	(5,179)
Office and miscellaneous	(224,254)	(228,726)
Professional fees	(409,395)	(41,656)
Regulatory fees	(63,333)	(64,392)
Shareholder and investor relations	(28,953)	(140,853)
Employee expenses	(800,270)	(704,000)
Decrease in market value of investments	(14,811)	-
Interest Paid	(19,907)	-
Loss on sale of securities	(168,060)	-
Other operating expenses	(18,671)	(12,478)
	<u>(1,753,477)</u>	<u>(1,197,284)</u>
(f) Net Gain on Disposal of Fixed Assets		
Proceeds from disposal of office equipment	2,600	-
Carrying amounts of fixed assets sold	(1,722)	-
Net gain on disposal	<u>878</u>	<u>-</u>
(g) Net Gain on Disposal of Tenements		
Proceeds from disposal of tenements	-	110,000
Carrying amounts of tenements sold	-	(526)
	<u>-</u>	<u>109,474</u>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Consolidated	
	2019 \$	2018 \$
<b>5. INCOME TAX</b>		
(a) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit/(Loss) from ordinary activities before income tax expense	(3,296,418)	(5,135,510)
Prima facie tax benefit on loss from ordinary activities at 30% (2018 – 27.50%)	(988,925)	(1,412,265)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Entertainment and other	1,519	366
Fines	136	110
Share based payments	1,231	8,250
	(986,039)	(1,403,539)
Movement in current year temporary differences	(175,310)	(97,916)
Tax effect of current year tax losses & non-recognition of previously recognised deferred tax assets	1,161,349	1,501,455
Income tax expense/(benefit)	-	-
(b) Unrecognised temporary differences Deferred Tax Assets (30%) (2018 – 27.5%)		
Impairment and depreciation of assets in joint venture	1,013	1,473
Capitalised tenement acquisition costs	97,611	48,181
Investments	124,089	267,627
Capital raising, formation and legal costs	77,651	113,810
Provisions for expenses	68,604	70,135
Carry forward revenue losses	16,239,573	14,025,873
Carry forward capital losses	222,729	-
	16,831,270	14,527,099
Deferred Tax Liabilities (30%) (2018 – 27.5%)		
Unearned revenue	(218)	(2,075)
	(218)	(2,075)
Net Deferred Tax Asset (Liability)	16,831,052	14,525,024

The potential future tax benefit arising from accumulated tax losses in the Group have not been recognized in 2019 as an asset because recovery of the tax losses is not probable.

The potential future income tax benefit will be obtainable by the Group only if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit of the deductions for the loss to be realised;
- the Group continues to comply with the conditions for deductibility imposed by income tax law; and
- no changes in income tax legislation adversely affects the Group in realising the benefit of the deduction for the loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

Consolidated	
2019	2018
\$	\$

### 6. CASH FLOW INFORMATION

- (a) Reconciliation of net cash used in by operating activities to operating profit/(loss) after income tax

Operating profit/(loss) after income tax	(3,296,418)	(5,135,510)
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*Non cash flows in operating loss*

Exploration costs written-off or provided	1,507,295	4,177,164
Amortisation and depreciation	49,771	60,529
Share based payments	4,102	30,000
Net Increase/ (decrease) in fair value of investments	14,811	(126,316)
(Profit)/Loss on sale of investments	168,060	-
(Profit)/Loss on sale of tenements	-	(109,474)
Interest expense	19,907	-

*Change in assets and liabilities*

(Profit)/loss on sale of non-current assets	(878)	-
(Decrease)/increase in trade creditors and accruals	65,406	(185,133)
(Increase)/decrease in receivables	(27,737)	421
(Decrease)/increase in provisions	(44,003)	31,978
Net cash outflow from operating activities	<u>(1,539,684)</u>	<u>(1,256,341)</u>

- (b) Cash and cash equivalents represents:

Cash in bank and on hand	168,236	169,142
Deposits at call	-	1,302,889
	<u>168,236</u>	<u>1,472,031</u>

*Non cash flows investing and financing activities*

Shares issued to acquire tenements	176,000	-
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### 7. EARNINGS PER SHARE

- |   |               |               |
|---|---------------|---------------|
| (a) Basic earnings/(loss) per share (cents per share)   | (0.51)        | (0.81)        |
| (b) Diluted earnings/(loss) per share (cents per share) | <u>(0.51)</u> | <u>(0.81)</u> |

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

- |   |                    |                    |
|---|--------------------|--------------------|
| (c) Net profit/(loss) attributable to ordinary shareholders   | <u>(3,296,418)</u> | <u>(5,135,510)</u> |
| (d) Weighted average number of ordinary shares outstanding during the year used in the calculation: |                    |                    |
| - basic earnings per share  | 644,589,034        | 634,509,898        |
| - diluted earnings per share  | <u>644,589,034</u> | <u>634,509,898</u> |

### 8. TRADE AND OTHER RECEIVABLES (CURRENT)

Other receivables	46,844	11,560
Accrued income	-	7,547
	<u>46,844</u>	<u>19,107</u>

The were no amounts receivable from directors and director related entities in 2019 and 2018.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

Consolidated	
2019	2018
\$	\$

### 8. TRADE AND OTHER RECEIVABLES (NON CURRENT)

Security deposits/bonds	174,748	246,613
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The Group believes that all outstanding receivables can be recovered when due and there are no past receivables due as at the balance sheet date.

### 9. OTHER FINANCIAL ASSETS (CURRENT)

Listed shares held for trading at fair value	17,684	308,831
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At as at the 18 December 2019, the total market value of the quoted investments based on closing prices at that date was \$11,827.

### 10. PROPERTY, PLANT AND EQUIPMENT

Plant and equipment, at cost	202,321	257,130
Less: accumulated depreciation	(141,983)	(174,522)
Less: impairment loss	-	-
	60,338	82,608

Motor vehicles, at cost	178,625	196,625
Less: accumulated depreciation	(172,328)	(186,566)
Less: impairment loss	-	-
	6,297	10,059

Office equipment, at cost	108,448	136,515
Less: accumulated depreciation	(84,460)	(102,907)
Less: impairment loss	-	-
	23,988	33,608

Plant and equipment (NT), at cost	34,560	34,560
Less: accumulated depreciation	(17,656)	(16,288)
Less: impairment loss	-	-
	16,904	18,272

Total property, plant and equipment	107,527	144,547
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#### Reconciliations

Reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

Plant and equipment		
Carrying amount at 1 October 2018	82,608	36,339
Additions	9,748	81,523
Disposal	-	-
Depreciation	(32,018)	(35,254)
Carrying amount at 30 September 2019	60,338	82,608

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Consolidated	
	2019	2018
	\$	\$
<b>10. PROPERTY, PLANT AND EQUIPMENT (continued)</b>		
Reconciliations (continued)		
Motor vehicles		
Carrying amount at 1 October 2018	10,059	14,295
Disposals	-	-
Depreciation	(3,762)	(4,236)
Carrying amount at 30 September 2019	<u>6,297</u>	<u>10,059</u>
Office equipment		
Carrying amount at 1 October 2018	33,608	37,793
Additions	3,545	11,476
Depreciation	(13,165)	(15,661)
Carrying amount at 30 September 2019	<u>23,988</u>	<u>33,608</u>
Plant and equipment (NT)		
Carrying amount at 1 October 2018	18,272	23,650
Additions	-	-
Depreciation	(1,368)	(5,378)
Carrying amount at 30 September 2019	<u>16,904</u>	<u>18,272</u>
Total carrying amount at 30 September 2019	<u>107,527</u>	<u>144,547</u>
<b>11. PARENT ENTITY DISCLOSURES</b>		
<b>STATEMENT OF FINANCIAL POSITION</b>		
<b>ASSETS</b>		
CURRENT ASSETS	190,211	1,733,826
NON-CURRENT ASSETS	164,710	201,729
TOTAL ASSETS	<u>354,921</u>	<u>1,935,555</u>
<b>LIABILITIES</b>		
CURRENT LIABILITIES	(316,440)	(271,054)
NON-CURRENT LIABILITIES	(1,269,907)	(31,749)
TOTAL LIABILITIES	<u>(1,586,347)</u>	<u>(302,803)</u>
NET (LIABILITIES)/ASSETS	<u>(1,231,426)</u>	<u>1,632,752</u>
<b>EQUITY</b>		
Contributed equity	62,535,711	62,360,252
Reserves	8,228,475	8,224,373
Accumulated losses	(71,995,612)	(68,951,873)
TOTAL EQUITY/DEFICIENCY	<u>(1,231,426)</u>	<u>1,632,752</u>
<b>PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>		
Net profit/ (loss) from continuing operations for the year	<u>(3,043,739)</u>	<u>(5,123,094)</u>
Total Comprehensive income/(loss) for the year	<u>(3,043,739)</u>	<u>(5,123,094)</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

Consolidated	
2019	2018
\$	\$

## 11. PARENT ENTITY DISCLOSURES (continued)

### OTHER FINANCIAL ASSETS (NON-CURRENT)

#### *Investment in Subsidiary*

Element 92 Pty Ltd	3,661,200	3,661,200
Provision for write down of investment	(3,661,200)	(3,661,200)

	-	-
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#### *Investment in Subsidiary*

Red Dragon Mines Pty Ltd	1,380,392	1,380,392
Provision for write down of investment	(1,380,392)	(1,380,392)

	-	-
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## 12. EXPLORATION EXPENDITURE (NON-CURRENT)

Exploration and evaluation

At 1 October 2018	-	-
Expenditure incurred during the year	1,507,295	4,177,164
Expenditure provided or written off during the year (note 4(d))	(1,507,295)	(4,177,164)
At 30 September 2019	-	-

For those areas of interest which are still in the exploration phase, the ultimate recoupment of the stated costs is dependent upon the successful development and commercial exploitation, or alternatively sale of the respective areas of interest.

Some of the Consolidated entity's exploration properties are subject to claim(s) under native title. As a result, exploration properties or areas within the tenements may be subject to exploration and/or mining restrictions.

## 13. TRADE AND OTHER PAYABLES (CURRENT)

Trade payables and accruals	291,640	76,777
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Trade payables are non-interest bearing and are normally settled on 30-60 day terms

## 14. PROVISIONS (CURRENT)

Employee entitlements	187,774	200,028
Number of employees at year end	8	9

### PROVISIONS (NON-CURRENT)

Employee entitlements	-	31,749
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#### Superannuation

The Company contributes to employees' superannuation plans in accordance with the requirements of Occupational Superannuation Legislation. Contributions by the Company represent a defined percentage of each employee's salary. Additional employee contributions are voluntary.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

Consolidated	
2019	2018
\$	\$

Employee Share Option Plan  
Details of the Employee Share Option Plan for the Company are disclosed in Note 19.

### 15. BORROWINGS (NON-CURRENT)

Borrowings - unsecured	1,269,907	-
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During the year the Company enter into a Loan Facility Agreement with Ioma Pty Ltd as trustee for the Gemini Trust (an entity associated with director Mr PG Crabb) to provide the Company with funding of up to \$1,000,000. The amount drawn accrues interest at 7% per annum and the loan is repayable on the later of, the date that is 2 years from the date of the first Drawdown, or the date that is 2 years from the date of the Loan Facility Agreement. The Loan Facility for \$1 million was fully drawn by the Company and a Deed of Variation to the Loan Facility Agreement increasing the Facility Limit from \$1,000,000 to \$2,000,000 was entered into by the Company on 2 September 2019.

Balance at beginning of year	-	-
Drawdowns during the year	1,250,000	-
Interest accrued during the year	19,907	-
Repayments	-	-
Balance at end of year	1,269,907	-

### 16. CONTRIBUTED EQUITY AND RESERVES

Number of Shares		Consolidated	
2019	2018	2019	2018
		\$	\$

#### (a) Issued and paid up capital

Ordinary shares	646,095,883	635,095,883	62,535,711	62,360,252
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#### (b) Movement in ordinary shares on issue

	Number of Shares	Issue Price \$	Total \$
1/10/17 <b>Opening balance</b>	528,183,479		59,692,721
3/10/2017 Renounceable rights issue – shortfall	68,910,786	0.025	1,722,770
3/10/2017 Placement	38,000,000	0.025	950,000
9/11/2017 Exercise of quoted options	1,618	0.05	80
Share issue costs	-		(5,319)
<b>Balance at 30 September 2018</b>	<u>635,095,883</u>		<u>62,360,252</u>
20/11/2018 Acquisition of tenements	11,000,000	0.016	176,000
Share issue costs	-		(2,292)
Shares to be issued (1)	35,023		1,751
<b>Balance at 30 September 2019</b>	<u>646,130,906</u>		<u>62,535,711</u>

(1) 35,023 ordinary shares to be issued pursuant to the exercise of quoted options at \$0.05 each expired on 30 September 2019

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 SEPTEMBER 2019

#### 16. CONTRIBUTED EQUITY AND RESERVES (continued)

##### (c) Movement in options on issue

The following table summarises the movement in options on issue for the year ended 30 September 2019

30 September 2019	Balance at the Beginning of the Year	Issued During the Year	Exercised During the Year	Expired During the Year	Balance at the End of the Year
Unquoted options exercisable at 6 cents each on or before 28 February 2019	11,500,000	-	-	(11,500,000)	-
Unquoted options exercisable at 8 cents each on or before 26 February 2021	3,000,000	-	-	-	3,000,000
Unquoted options exercisable at 6 cents each on or before 14 November 2019	4,350,000	-	-	-	4,350,000
Unquoted options exercisable at 7 cents each on or before 23 February 2022	8,000,000	-	-	-	8,000,000
Unquoted options exercisable at 4 cents each on or before 18 December 2020	2,500,000	-	-	-	2,500,000
Quoted options exercisable at 5 cents each on or before 30 September 2019	109,297,721	-	(35,023)	(109,262,698)	-
Total	138,647,721	-	(35,023)	(120,762,698)	17,850,000

The following table summarises the movement in options on issue for the year ended 30 September 2018

30 September 2018	Balance at the Beginning of the Year	Issued During the Year	Exercised During the Year	Expired During the Year	Balance at the End of the Year
Unquoted options exercisable at 6 cents each on or before 28 February 2019	11,500,000	-	-	-	11,500,000
Unquoted options exercisable at 8 cents each on or before 4 September 2018	3,150,000	-	-	(3,150,000)	-
Unquoted options exercisable at 8 cents each on or before 26 February 2021	3,000,000	-	-	-	3,000,000
Unquoted options exercisable at 10 cents each on or before 30 June 2018	4,000,000	-	-	(4,000,000)	-
Unquoted options exercisable at 6 cents each on or before 14 November 2019	4,350,000	-	-	-	4,350,000
Unquoted options exercisable at 7 cents each on or before 23 February 2022	8,000,000	-	-	-	8,000,000
Unquoted options exercisable at 4 cents each on or before 18 December 2020	-	2,500,000	-	-	2,500,000
Quoted options exercisable at 5 cents each on or before 30 September 2019	50,843,940	58,455,399	(1,618)	-	109,297,721
Total	84,843,940	60,955,399	(1,618)	(7,150,000)	138,647,721

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 16. CONTRIBUTED EQUITY AND RESERVES (continued)

Consolidated	
2019	2018
\$	\$

#### (d) Reserves

##### Share based payments reserve

Balance at beginning of year	8,224,373	8,194,373
Share based payments	4,102	30,000
Balance at end of year	8,228,475	8,224,373

##### Nature and purpose of reserves

*Share based payments reserve*

The share based payments reserve is used to recognise the fair value of options issued.

### 17. ACCUMULATED LOSSES

Consolidated	
2019	2018
\$	\$

Balance at the beginning of the year	(68,702,050)	(63,566,540)
Net profit/(loss) attributable to members of Ora Gold Limited	(3,296,418)	(5,135,510)
Balance at the end of the financial year	(71,998,468)	(68,702,050)

### 18. COMMITMENTS AND CONTINGENCIES

(i) Exploration commitments		
Within one year	321,692	226,149
Later than one year but not later than five years	369,594	223,994
Later than five years	179,210	-
	870,496	450,143

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various State Governments. These obligations are subject to renegotiation when application for a mining lease is made and at other times. These obligations are not provided for in the financial report.

If the Group decides to relinquish certain tenements and / or does not meet these obligations, assets recognised in the Consolidated Statement of Financial Position may require review to determine the appropriateness of the carrying values. The sole transfer or farm out of exploration rights to third parties will reduce or extinguish these obligations.

(ii) Operating lease commitments		
Operating lease commitments are as follows:		
Office rental		
Within one year	138,259	132,677
Later than one year but not later than five years	-	90,030
Later than five years	-	-
	138,259	222,707

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 18. COMMITMENTS AND CONTINGENCIES (continued)

(ii) Operating lease commitments (continued)

The Group has entered into a commercial property lease on its corporate office premises. The non-cancellable lease expires 1 June 2020. The lease includes a clause to enable an upward revision of rental charge on an annual basis of a fixed percentage increase.

(iii) Bank Guarantees

At 30 September 2019 the Group has outstanding \$44,683 (2018: \$44,683) as a current guarantee provided by the bank for corporate office lease.

(iv) Native Title

At the date of this report, there are no claims lodged in relation to tenements held by the Group.

(v) Richmond Proceeding

William Richmond commenced proceedings on 1 June 2018 in the Federal Court of Australia against Ora Gold Limited (previously known as Thundelarra Limited) (Ora Gold) and Sandfire Resources NL (Sandfire) (Proceedings). Mr Richmond seeks unspecified damages from Ora Gold and Sandfire. The claims primarily relate to allegations about Ora Gold and Sandfire's conduct prior to May 2012 in relation to mining tenement M52/597.

Ora Gold Limited filed and served its defence on 3 October 2019. Ora Gold continues to deny liability in respect of the allegations the subject of the Proceedings and denies that Mr Richmond is entitled to any relief claimed. Ora Gold maintains its opinion that Mr Richmond's allegations are without merit, and Ora Gold will vigorously defend the Proceedings. Now that all major issues with the pleadings have been resolved, the case will move into the discovery phase. If the matter is not resolved, it is likely that it will proceed to a trial in late-2020 or early-2021.

### 19. SHARE BASED PAYMENTS

#### (a) Type of share based payment plan

##### *Employee Share Option Plan*

Options are granted under the Company Employee Share Option Plan (ESOP) which was approved by the shareholders on 26 February 2016. The ESOP is available to any person who is a director, or an employee (whether full-time or part-time) of the Company or of an associated body corporate of the Company ("Eligible Person").

Subject to the Rules set out in ESOP and the Listing Rules, the Company (acting through the Board) may offer options to any Eligible Person at such time and on such terms as the Board considers appropriate.

There are no voting or dividend rights attached to the options. There are no voting rights attached to the unissued ordinary shares. Voting rights will be attached to the unissued ordinary shares when the options have been exercised. The expense recognised in the income statement in relation to share based payments is disclosed in Note 4.

#### (b) Summary of options granted

The following table illustrates the number and weighted average prices (WAEP) of and the movements in share options issued during the year in respect of share based payments.

	Number 2019	WAEP 2019 \$	Number 2018	WAEP 2018 \$
Outstanding at the beginning of the year	29,350,000	0.07	34,000,000	0.07
Granted during the year	-	-	2,500,000	0.04
Lapsed during the year	(11,500,000)	(0.06)	(7,150,000)	(0.09)
Exercised during the year	-	-	-	-
Outstanding at the end of the year	17,850,000	0.07	29,350,000	0.07
Exercisable at the end of the year	17,850,000	0.07	29,350,000	0.07

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 SEPTEMBER 2019

#### 19. SHARE BASED PAYMENTS (continued)

The outstanding balance as at 30 September 2019 is represented by:

Date options issued	Expiry date	Exercise price of options	Number of options
26 February 2016	26 February 2021	\$0.08	3,000,000
15 November 2016	14 November 2019	\$0.06	4,350,000
24 February 2017	23 February 2022	\$0.07	8,000,000
19 December 2017	18 December 2020	\$0.04	2,500,000

Please refer to Shares Under Option table in the Directors Report for movements since year end.

**(a) Weighted average remaining contractual life**

The weighted average remaining contractual life for the share options outstanding as at 30 September 2019 is 1.51 years (2018 – 1.69 years).

**(b) Range of exercise price**

The range of exercise prices for options outstanding at the end of the year was \$0.04 to \$0.08 (2018 – \$0.04 to \$0.08).

**(c) Weighted average fair value**

The weighted average fair value of options granted during the year was nil (2018 - \$0.012)

**(d) Options pricing model**

The fair value of the equity-settled share options granted under the plan is estimated as at the date of grant using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used for the year ended 30 September 2019.

Number of Options (1)	10,000,000
Option exercise price	\$0.015
Expiry date	1/03/2022
Expected life of the option (years)	3
Vesting period (months)	36
Dividend yield (%)	Nil
Expected volatility (%)	88%
Risk-free interest rate (%)	1.67%
Discount for unquoted security	-
Closing share price at grant date (cents)	\$0.011
Vesting date	Variable based on market price

- (1) P F Bruce was appointed a director 1 March 2019. Pursuant to Mr Bruce's employment agreement Mr Bruce is entitled to 10,000,000 options which are subject to shareholder approval at the forthcoming Annual General Meeting. The options have not yet been issued at the date of this report but the value has been estimated and are being expensed over their vesting period in accordance with AASB 2.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 SEPTEMBER 2019

#### 19. SHARE BASED PAYMENTS (continued)

The following table lists the inputs to the model used for the year ended 30 September 2018

Number of Options	2,500,000
Option exercise price	\$0.04
Expiry date	18 December 2020
Expected life of the option (years)	3
Vesting period (months)	6 months
Dividend yield (%)	Nil
Expected volatility (%)	95.96%
Risk-free interest rate (%)	2.09%
Discount for unquoted security	-
Closing share price at grant date (cents)	\$0.03
Vesting date	19/06/2018

Consolidated	
2019	2018
\$	\$

#### 20. REMUNERATION OF AUDITORS

The auditor of Ora Gold Limited is Stantons International for:

- An audit or review of the financial report of the consolidated entity

34,583	28,871
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#### 21. RELATED PARTY DISCLOSURES

##### (a) Directors

There were no fees received in the normal course of business in 2019 and 2018 for office rental, administrative and employees services from companies of which R W Crabb, F DeMarte, M R J Randall, P G Crabb and P F Bruce are directors and shareholders.

Consultancy fees of \$28,301 were paid in the normal course of business in 2019 to P F Bruce for employee services. There were no other fees paid in the normal course of business in 2019 and 2018 for employees services from companies of which R W Crabb, F DeMarte, M R J Randall and P G Crabb are directors and shareholders.

##### (b) Loans with key management personnel and their related entities

There were no loans to key management personnel and their related entities during the year and the prior year.

##### (c) Loans from key management personnel and their related entities

During the year the Company enter into a Loan Facility Agreement with Ioma Pty Ltd as trustee for the Gemini Trust (an entity associated with director Mr PG Crabb) to provide the Company with funding of up to \$1,000,000. The amount drawn accrues interest at 7% per annum and the loan is repayable on the later of, the date that is 2 years from the date of the first Drawdown, or the date that is 2 years from the date of the Loan Facility Agreement. The Loan Facility for \$1 million was fully drawn by the Company during the reporting period and a Deed of Variation to the Loan Facility Agreement increasing the Facility Limit from \$1,000,000 to \$2,000,000 was entered into by the Company on 2 September 2019. At 30 September 2019, \$1,250,000 was drawn down by the Company and \$19,907 in interest was accrued during the year.

##### (d) Subsidiaries

The Group consists of the Parent and its wholly owned controlled entities set out in Notes 11 and 22. Transactions between the Parent and its wholly owned controlled entities during the year ended 30 September 2019 consists of loans advanced by the Parent totalling \$1,295,920 (2017: \$3,719,573). The loans outstanding at 30 September 2019 total \$25,344,144 (2017: \$24,121,224). The loans provided are unsecured, interest free and have no fixed term of repayment. There were \$73,000 in repayments made during the year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 22. CONTROLLED ENTITIES

		Percentage Interest Held		Carrying amount of Parent Entity's Investment	
Name	Country of Incorporation	2019 %	2018 %	2019 \$	2018 \$
Element 92 Pty Ltd	Australia	100	100	-	-
Red Dragon Mines Pty Ltd	Australia	100	100	-	-
Zeus Mining Pty Ltd	Australia	100	100	-	-

### 23. INTEREST IN JOINT VENTURES

The Company has interests in several joint ventures as follows:

The Consolidated Entity also has a number of other interests in joint ventures to explore for uranium and other minerals. The Consolidated Entity's share of expenditure in respect of these exploration and evaluation activities is either expensed or capitalised depending on the stage of development and no revenue is generated. At 30 September 2019 all capitalised costs were written off.

The Consolidated Entity's share of capitalised expenditure in respect to these joint venture activities is as follows:

Joint Venture	Principal Activities	Percentage Interest 2019	Percentage Interest 2018	Expenditure Capitalised 2019 \$	Expenditure Capitalised 2018 \$
Breakaway JV	Base metals	20%	20%	-	-
Red Bore JV	Base metals	90%	90%	-	-
Curara Well JV (1)	Base metals		90%	-	-
Keller Creek	Base metals	20fci	20fci		

Note 1: The Company withdrew from the Curara Well JV on 2 April 2019 and the resignation became effective on 9 April 2019

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 24. FINANCIAL INSTRUMENTS

- (a) The Group's principal financial instruments comprise of cash, short term deposits and other financial assets. The Group has various other financial assets and liabilities such as trade receivables and trade payables. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken, except for other financial assets which have been sold for working capital purposes. The main risks arising from the Group's financial instruments are cash flow interest rate risk, liquidity risk, equity risk and credit risk.

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

Consolidated	Floating Interest Rate		Fixed Interest Rate – less than 1 year		Fixed Interest Rate – more than 1 year		Non-interest bearing		Total	
	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$
<b>Financial Assets</b>										
Cash and cash equivalents	168,236	169,142	-	1,302,889			-	-	168,236	1,472,031
Trade and other receivables	-	-	174,748	246,613			46,844	19,107	221,592	265,720
Other financial assets	-	-	-	-			17,684	308,831	17,684	308,831
Total Financial Assets	168,236	169,142	174,748	1,549,502			64,528	327,938	407,512	2,046,582
<b>Financial Liabilities</b>										
Trade and other payables	-	-	-	-	-	-	(291,640)	(76,777)	(291,640)	(76,777)
	-	-	-	-	(1,269,907)	-	-	-	(1,269,907)	-
Total Financial Liabilities	-	-	-	-	(1,269,907)	-	(291,640)	(76,777)	(1,561,547)	(76,777)
Net Financial Assets/(Liabilities)	168,236	169,142	174,748	1,549,502	(1,269,907)	-	(227,112)	251,161	(1,154,035)	1,969,805
Weighted Average Interest Rate	-	0.75%	-	2.07%	7%					

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 24. FINANCIAL INSTRUMENTS (continued)

Reconciliation of net financial assets/ (liabilities) to net assets	Consolidated	
	2019 \$	2018 \$
Net Financial Assets/(Liabilities) as above	(1,154,035)	1,969,805
Property, plant and equipment	107,527	144,547
Exploration & evaluation expenditure	-	-
Borrowings	-	-
Provisions	(187,774)	(231,777)
Net Assets/(Liabilities) per Statement of Financial Position	(1,234,282)	1,882,575

The net fair value of all financial assets and liabilities at balance date approximate to their carrying value. The main risk the Group is exposed is through financial instruments credit risk, commodity risk and market risk consisting of interest rate risk and equity price risk.

#### (a) **Interest Rate Risk**

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities, is disclosed under point (a) above.

The Group is exposed to movements in market interest rates on short term deposits. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return.

#### (b) **Credit Risk**

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. Risk is also minimised by investing surplus funds with financial institutions that maintain a high credit rating.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk.

The Group believes that all outstanding receivables are recoverable and there are no past due receivables as at balance date.

#### (c) **Net Fair Value of Financial Assets and Liabilities**

The net fair value of the financial assets and financial liabilities approximates their carrying value, except for the fair value of equity investments traded on organised markets which have been valued by reference to the market prices prevailing at balance date for those equity investments.

#### (d) **Liquidity Risk**

The Group manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance requirements to finance the Group's current and future operations.

The Group believes that all outstanding payables can be paid when due and there are no past due payables as at the balance date.

#### (e) **Commodity Price Risk**

At the 30 September 2019, the Group does not have any financial instruments subject to commodity price risk.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 25. SENSITIVITY ANALYSIS

#### (a) Fair Value Risk

The Group has exposure to the movement in fair values of its held for trading financial assets.

Based on fair values at 30 September 2019, a 10% change in fair values will have the following impact on loss before tax and equity before tax.

	Consolidated	
	2019 \$	2018 \$
Loss before tax:		
Financial assets at fair value through profit and loss	1,768	30,883
Equity:		
Financial assets at fair value through profit and loss	1,768	30,883

#### (b) Interest Rate Risk

The following table represents a summary of the interest rate sensitivity of the Group's financial assets at the balance sheet date on the deficit for the year and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

Consolidated 30 September 2019	Carrying Amount \$	Interest Rate Risk -1%		Interest Rate Risk + 1%	
		Net loss \$	Equity \$	Net loss \$	Equity \$
<b>Financial Assets</b>					
Cash and cash equivalents	168,236	(16,823)	(16,823)	16,823	16,823
Other receivables interest bearing	174,748	(17,475)	(17,475)	17,475	17,475
Totals	342,984	(34,298)	(34,298)	34,298	34,298

Consolidated 30 September 2018	Carrying Amount \$	Interest Rate Risk -1%		Interest Rate Risk + 1%	
		Net loss \$	Equity \$	Net loss \$	Equity \$
<b>Financial Assets</b>					
Cash and cash equivalents	1,472,031	(14,720)	(14,720)	14,720	14,720
Other receivables interest bearing	246,613	(2,466)	(2,466)	2,466	2,466
Totals	1,718,644	(17,186)	(17,186)	17,186	17,186

None of the Group's financial liabilities are interest bearing except for the loan facility that accrues interest at 7% per annum (see note 15).



## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2019**

#### **26. EVENTS AFTER THE BALANCE SHEET DATE**

Since the end of the financial year, the Directors are not aware of matter or circumstance not otherwise dealt with in this report or the financial statements, that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent years with the exception of the following, the financial effects of which have not been provided for in the 30 September 2019 financial report:

*Expiry of Employee Options*

In November 2019, 4,350,000 employee options exercisable at 6 cents each expired on 14 November 2019.

#### **27. CONTINGENT LIABILITIES**

The consolidated entity is not aware of any contingent liabilities which existed as at the end of the financial year or have arisen as at the date of this report, other than as disclosed in note 18.

## DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Ora Gold Limited I state that:

In the opinion of the directors:

- (a) the financial statements and notes and the additional disclosures included in the Directors' report designated as audited, of the Consolidated Entity are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 September 2019 and of its performance for the year ended on that date; and
  - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) the financial report also complies with International Financial Reporting Standards as described in note 2(b).

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 September 2019.

On behalf of the Board



**FRANK DEMARTE**  
Executive Director

Perth, Western Australia

Dated in Perth this 19 of December 2019

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
ORA GOLD LTD**

**Report on the Financial Report**

We have audited the accompanying financial report of Ora Gold Ltd, the Company and its subsidiaries, ("the Group"), which comprises the consolidated statement of financial position as at 30 September 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion:

- (a) the financial report of Ora Gold Ltd is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 September 2019 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- (b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in note 2.

**Basis for Opinion**

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

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

**Material Uncertainty Regarding Going Concern**

We draw attention to note 2 of the financial report, which describes that the financial report has been prepared on a going concern basis. At 30 September 2019 the Group had net liabilities of \$1,234,282, cash and cash equivalents of \$168,236 and negative net working capital of \$246,650. The Group had incurred a loss for the year ended 30 September 2019 of \$3,296,418 and had net cash outflows from operating activities of \$1,539,684 and from investing activities of \$1,012,819.

The ability of the Group to continue as a going concern and meet its planned exploration, administration, and other commitments is dependent upon the future successful raising of necessary funding through equity or borrowings, successful exploitation of the Group's exploration assets, and or sale of non-core assets. In the event that the Group cannot raise further equity, the Group may not be able to meet its liabilities as they fall due or realise its assets in the normal course of business.

Our conclusion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
<p><b><i>Legal proceedings against the Company</i></b></p> <p>As disclosed in the Contingent liabilities note of the Annual Report, during the period, the former JV partner, William Richmond, commenced legal proceedings against Ora Gold Ltd with respect to the Red Bore Project.</p> <p>We identified this as key audit matter due to the need to assess the potential effect this may have on the financial statements and the impact on the Red Bore Project.</p>	<p>Inter alia, our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>i. Reviewed the most recent legal advice provided by the Company’s solicitor;</li> <li>ii. Reviewed the minutes of the Meeting of Board of Directors;</li> <li>iii. Obtained the solicitor’s representation letter; and</li> <li>iv. Ensured that proper disclosure has been included in the Annual Report.</li> </ul>
<p><b><i>Borrowings from related party</i></b></p> <p>As disclosed in the financial report, during the year Ora Gold Ltd entered into a Loan Facility Agreement with Ioma Pty Ltd as trustee for the Gemini Trust, an entity associated with director Mr P G Crabb.</p> <p>The loan facility limit was initially for \$1,000,000 and was subsequently increased to \$2,000,000.</p> <p>As at 30 September 2019, the borrowings from related party amounted to \$1,269,907, being \$1,250,000 capital and \$19,907 in accrued interest.</p> <p>We have identified this as key audit matter due to the significance of its balance in the liabilities section and in the Financial Statements as a whole.</p>	<p>Inter alia, our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>i. Examined the Loan Facility Agreement between Ora Gold Ltd and Ioma Pty Ltd as trustee for the Gemini Trust;</li> <li>ii. Examined the Deed of Variation to the Loan Facility Agreement between Ora Gold Ltd and Ioma Pty Ltd as trustee for the Gemini Trust;</li> <li>iii. Agreed instalments drawn down from the Loan Facility to the bank statements;</li> <li>iv. We have reperformed the interest calculation;</li> <li>v. Obtained a loan confirmation from Ioma Pty Ltd confirming the balance as at 30 September 2019; and</li> <li>vi. Ensured that proper disclosure has been included in the Annual Report.</li> </ul>

## **Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 September 2019, but does not include the financial report and our auditor's report thereon.

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

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

## **Responsibilities of the Directors for the Financial Report**

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

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

We conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the



audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report.

We 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.

**Report on the Remuneration Report**

We have audited the remuneration report included in pages 26 to 33 of the directors' report for the year ended 30 September 2019. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

*Opinion*

In our opinion the remuneration report of Ora Gold Ltd for the year ended 30 September 2019 complies with section 300A of the *Corporations Act 2001*.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD  
(Trading as Stantons International)  
(An Authorised Audit Company)**

*Stantons International Audit & Consulting Pty Ltd*



**Martin Michalik**  
Director

West Perth, Western Australia  
19 December 2019

19 December 2019

Board of Directors  
Ora Gold Ltd  
Level 2  
47 Stirling Highway  
NEDLANDS, WA 6009

Dear Directors

**RE: ORA GOLD LTD**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Ora Gold Ltd.

As Audit Director for the audit of the financial statements of Ora Gold Ltd for the year ended 30 September 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(Trading as Stantons International)**  
**(An Authorised Audit Company)**



**Martin Michalik**  
**Director**

## ASX ADDITIONAL INFORMATION

The following information dated 17 December 2019 is required by the Listing Rules of the ASX Limited.

### 1. DISTRIBUTION AND NUMBER OF HOLDER OF EQUITY SECURITIES

The number of holders, by size of holding, in each class of security are:

Distribution	Number of Shareholders	Number of Shares
1 – 1,000	395	93,420
1,001 – 5,000	489	1,432,107
5,001 – 10,000	383	3,037,749
10,001 – 100,000	1,128	46,464,111
100,001 and over	683	595,103,519
Totals	3,078	646,130,906
Holding less than a marketable parcel	1,674	11,238,595

### 2. TWENTY LARGEST SHAREHOLDERS OF QUOTED SECURITIES

	Holder	Shares Held	
		Number	%
1	Ragged Range Mining Pty Ltd & Associates	78,534,680	12.15
2	Chin Nominees Pty Ltd & Associates	62,922,672	9.74
3	Mr Siat Yoon Chin	26,680,236	4.13
4	Mr Steven Barcham	14,185,017	2.20
5	Doray Minerals Limited	11,000,000	1.70
6	JP Morgan Nominees Australia Pty Limited	10,719,840	1.66
7	Custodial Services Limited <Beneficiaries Holding A/C>	10,614,147	1.64
8	Norvest Projects Pty Ltd	7,500,000	1.16
9	Madisons Pty Ltd <Brown Retirement Fund A/C>	7,000,000	1.08
10	Nautilus Investments Pty Ltd <The Robinson Family SF A/C>	6,662,129	1.03
11	BNP Paribas Noms Pty Ltd <DRP>	6,344,889	0.98
12	Robinson Corp Pty Ltd	4,680,000	0.72
13	Mr Paul Charles Keegan	4,531,945	0.70
14	Ms Woon Hee Chin	4,467,369	0.69
15	Mr Jordan Matthew Bull <The JMB Investment A/C>	4,086,600	0.63
16	Mr Beau Thomas Robinson <Beau Robinson Investments A/C>	3,960,000	0.61
17	Grandor Pty Ltd <Mark Scott Family P/F A/C>	3,800,000	0.59
18	Frank DeMarte	3,700,429	0.57
19	Ms Sigrid Tittiana Gibson	3,640,000	0.56
20	Be Copymart Pty Ltd <B&E McConnell S/F A/C>	3,600,100	0.56
Total top 20 holders		278,630,053	43.12
Total remaining holders		367,500,853	56.88

### 3. SUBSTANTIAL SHAREHOLDERS

An extract from the Company's register of substantial shareholders is set out below:

Name	Number of Shares Held	%
Ragged Range Mining Pty Ltd & Associates	78,534,680	12.15
Chin Nominees Pty Ltd & Associates	62,922,672	9.74

### 4. VOTING RIGHTS

The Company's share capital is of one class with the following voting rights:

- Ordinary Shares - On a show of hands every shareholder present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

## ASX ADDITIONAL INFORMATION

### 5. STOCK EXCHANGE LISTING

Ora Gold Limited (formerly Thundelarra Limited) ordinary shares are listed on all member exchanges of the ASX Limited. The home exchange is in Perth.

### 6. RESTRICTED SECURITIES

There are no securities on issue that have been classified by the ASX Limited, Perth as restricted securities.

### 7. ON-MARKET BUY-BACK

The Company does not have a current on-market buy-back plan.

### 8. SCHEDULE OF TENEMENTS

Project / Tenement		Interest at Start of Year	Interest at End of Year	Acquired During the Year	Disposed During the Year	Joint Venture Partner/Farm-in Party
Western Australia						
Sophie Downs	E80/3673	100%	0%	-	100%	-
Keller Creek	E80/4834	20% fci	20% fci	-	-	Panoramic (PAN)
Red Bore	M52/597	90%	90%	-	-	WR Richmond
Curara Well	E52/2402	90%	0%	-	90%	-
Garden Gully	E51/1661	100%	100%	-	-	-
Garden Gully	E51/1737	100%	100%	-	-	-
Garden Gully Meeka NW	P51/2760	100%	100%	-	-	-
Garden Gully Meeka NW	P51/2761	100%	100%	-	-	-
Garden Gully Meeka NW	P51/2762	100%	100%	-	-	-
Garden Gully Meeka NW	P51/2763	100%	100%	-	-	-
Garden Gully Meeka NW	P51/2764	100%	100%	-	-	-
Garden Gully Meeka NW	P51/2765	100%	100%	-	-	-
Garden Gully South	P51/2909	100%	100%	-	-	-
Garden Gully South	P51/2910	100%	100%	-	-	-
Garden Gully South	P51/2911	100%	100%	-	-	-
Garden Gully South	P51/2912	100%	100%	-	-	-
Garden Gully South	P51/2913	100%	100%	-	-	-
Garden Gully South	P51/2914	100%	100%	-	-	-
Garden Gully North	P51/2941	100%	100%	-	-	-
Garden Gully North	P51/2948	100%	100%	-	-	-
Crown Prince	P51/3009	100%	100%	-	-	-
Abbotts	E51/1609	-	100%	100%	-	-
Abbotts	E51/1708	-	100%	100%	-	-
Abbotts	E51/1757	-	100%	100%	-	-
Abbotts	E51/1790	-	100%	100%	-	-
Abbotts	E51/1791	-	100%	100%	-	-
Abbotts	M51/390	-	100%	100%	-	-
Abbotts	M51/567	-	100%	100%	-	-
Abbotts	P51/2958	-	100%	100%	-	-
Abbotts	P51/2959	-	100%	100%	-	-

## ASX ADDITIONAL INFORMATION

Project / Tenement		Interest at Start of Year	Interest at End of Year	Acquired During the Year	Disposed During the Year	Joint Venture Partner/Farm-in Party
Western Australia (continued)						
Abbotts	P51/2961	-	100%	100%	-	-
Abbotts	P51/2962	-	100%	100%	-	-
Abbotts	P51/2963	-	100%	100%	-	-

**Key to Tenement Type:**

E = Exploration License

P = Prospecting License

M = Mining Lease



**ORA**  
**GOLD LIMITED**

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