ANNUAL REPORT

Great Southern Mining Limited

30th June 2019

ABN 37 148 168 825

Directors

John Terpu	(Executive Chairman)
Kathleen Bozanic	(Non-executive Director)
Andrew Caruso	(Non-executive Director)

Company Secretary

Mark Petricevic

Registered Office
and Principal Place of Business

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Balcatta WA 6021
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Facsimile: (08) 9240 4054

Website: www.gsml.com.au

Solicitors

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Level 27
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77 St Georges Tce
PERTH WA 6000
Telephone: (08) 9211 8111
Facsimile: (08) 9221 9100

Auditors

HLB Mann Judd (WA Partnership)
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Telephone: (08) 9227 7500
Facsimile: (08) 9227 7533

Share Register

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Securities Exchange Listing and domicile

Great Southern Mining Limited is an Australian Company limited by shares and listed on the Australian Securities Exchange (ASX: GSN)

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Chairman's Letter

Dear Shareholders,

It is my pleasure to present to you the 2019 Annual Report.

In what has been an incredibly busy year for Great Southern Mining (the Company) we have seen the Company transform from a pure junior exploration Company to a dynamic Company with multiple exploration and development opportunities.

The Company's stated aim is to create value through discoveries and capture this value for our stakeholders through cost-effective exploration programs and subsequent development and realisation of the value of mineral resources.
Our focus on growth through strategic acquisitions and exploration has begun to pay off.

With significant Gold resources already outlined at Mon Ami our company is well positioned to enjoy the benefits from future improvements in the Gold bullion price. The first half of the 2019 financial year saw us undertake detailed metallurgical work and analysis on the Mon Ami to complement the initial Mineral Resource Estimate announced in late 2018.

Along with Mon Ami the acquisition of the Cox's Find Gold Project provides the Company two exceptional brownfields exploration projects with drill ready targets and potential resource growth through targeted and effective drilling programs. We are looking to enter the field soon.

North Queensland provides the Company with its Tier One discovery potential. With over 1,000km2 of underexplored tenure we are planning detailed mapping and geochemical programs to delineate additional targets for the 2020 field season.

Our small reconnaissance drilling program at the Rocky Ponds Breccia Pipe in early May 2019 was a success and we have only just scratched the surface of the system when you consider the depths of gold mineralisation in other breccia systems such as Mt Wright and the Welcome breccia pipes. We look forward to testing our theory of similar mineralization to the Mt Carlton deposit in the first half of 2020.

On the corporate front, the new team appointed in April-May 2018 immediately set to work adding value to the organisation with the strategic acquisition of the tenements around Mon Ami, providing the asset with additional strike length and infrastructure space. The same transaction resulted in the Company acquiring the rare earth tenements immediately adjacent to Lynas' world class Mt Weld Project. These tenements will provide great drilling opportunities in 2020 along with the successful application for the refund of up to $150,000 in drilling costs via the governments co-funded drilling program.

We were mindful of market sentiment during the year and the executive team has worked extremely hard to continue to identify opportunities and create value for the Company without the need to significantly dilute the shareholder base. I am extremely proud of the results we have generated this year and the well supported Rights Issue to Shareholders post 30 June 2019 is testament to this.

I would also like to thank my fellow directors Kathleen Bozanic and Andrew Caruso for their support and encouragement in setting the Company on an exciting pathway to success.

Chairman's Letter

We are well positioned to capitalise on the positive market sentiment moving into the second half of 2019 and I am excited to be entering the field again with drill rigs at two promising, WA based gold projects, situated so close to exiting mills and infrastructure. As shareholders of the Company I thank you for your support and I truly believe Great Southern Mining is at the beginning of an accelerated growth momentum period and the next year will be one to look forward to.

Yours sincerely.

John Terpu
Executive Chairman

Operating and Financial Review

The Company's 2019 strategy involved undertaking exploration programs on its Projects utilising the available resources and working capital to improve the knowledge of each mineral deposit and identify future targets.

A summary of the main exploration activities during the period is below:

WESTERN AUSTRALIA:

COX'S FIND GOLD PROJECT

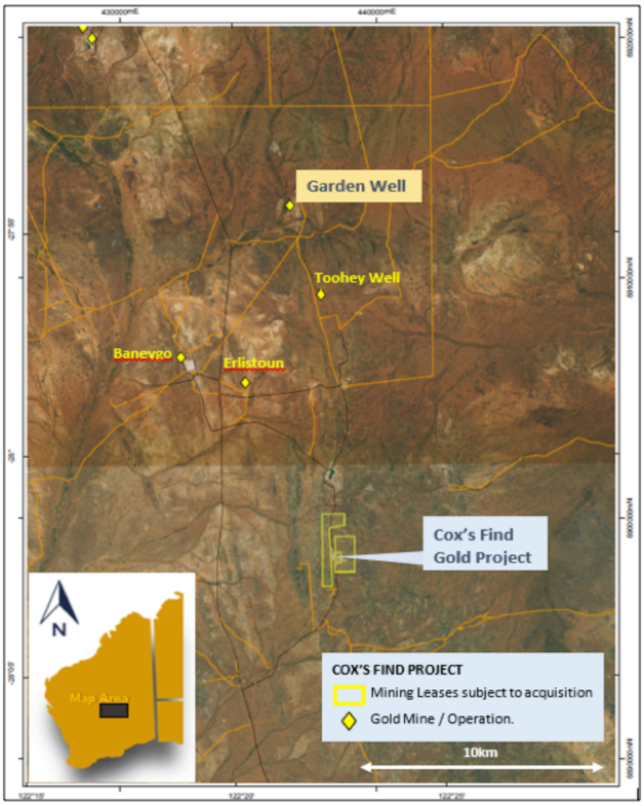
In June 2019 the Company executed a binding term sheet to acquire a 100% interest in the Cox's Find Gold Mine 65km north of Laverton. This Project will provide the Company opportunity to apply modern exploration techniques to advance a historical high-grade gold project with significant potential. Having reviewed the exploration potential of the project, GSN believe the Project will provide a significant opportunity to grow the resource base given the gold deposit is currently poorly understood and ultimately underexplored.

Highlights of the Cox's Find Gold Project

The Project consists of 3 granted Mining Leases hosting the historical high-grade Cox's Find Gold Mine. Some highlights include:

- Project is located in the world class gold district, 65km north of Laverton and in close proximity to multiple gold operations and infrastructure.
- Historical production of approximately 77,000 ounces of gold at a grade >21 g/t.
- Last significant exploration conducted in the 1990's and held under private ownership for 30 years.
- Though the acquisition, GSN will be the first company to apply modern exploration techniques to the historical workings.

On 26 August 2019, the Company concluded its due diligence procedures and the Directors resolved to proceed with the transaction to acquire the Cox's Find Gold Project. The Completion Payment ($150,000) was paid on this date and funded via the short-term loan funds provided to the Company on 30 July 2019.



MT WELD PROJECT – RARE EARTHS AND SCANDIUM

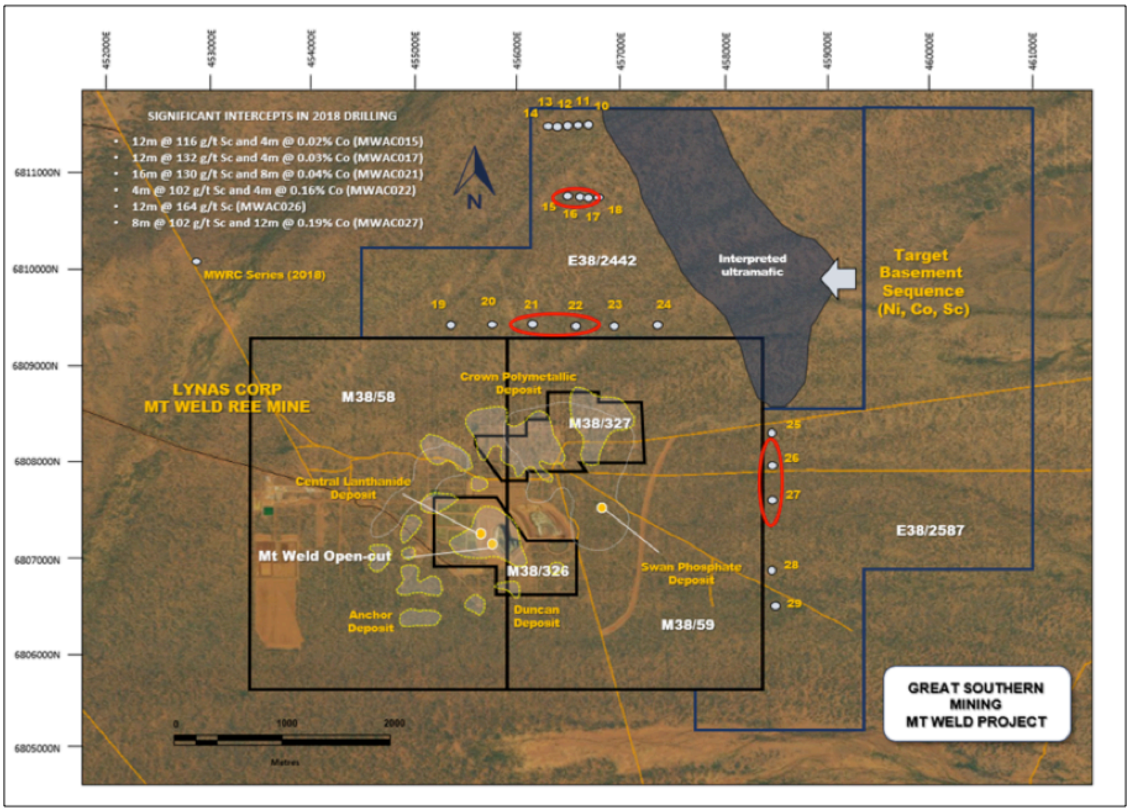
In September 2018 the Company entered into an agreement to acquire a 100% interest in a tenement package from Central Australian Rare Earths Pty Ltd (CARE), an Australian registered entity. The Company acquired the rights to licences E38/2829, E38/2442; E38/2587 and E38/2856. Consideration payable for the transaction consisted of a cash payment of $99,240 and 1,000,000 fully paid GSN shares (at an issue price of $0.035 per share).

As part of the purchase, GSN was able to acquire the previous owner's exploration data from the drill program undertaken in 2018. A detailed desktop review of the data, together with information available in the public domain in the form of reports lodged on the Project consists of exploration licenses E38/2442; E38/2587 and E38/2856.

Highlights of the Mt Weld Project

- GSN analysis of reconnaissance aircore drilling undertaken by the previous tenement holders has identified thick mineralised horizons of scandium (Sc) and cobalt (Co) over extensive areas within a well-developed laterite.
- 4m composite assay samples from drilling have returned up to 252 g/t Sc and 0.35% Co.

As announced to the market on 30 May 2019, GSN was successful in its application to receive up to $150,000 refund on its direct drilling costs as part of the exploration incentive scheme.
The co-funded drilling program is being planned for late 2019.



Operating and Financial Review

MON AMI GOLD PROJECT

Following the acquisition of the Mon Ami Project in early 2018, a tailored and targeted drill campaign was undertaken which produced some exciting results with a maiden JORC 2012 Maiden Mineral Resource estimate (MRE) of 59,000oz at 1.7 g/t. This provides the Company a solid base to undertake extensional infill drilling to rapidly expand the resource.

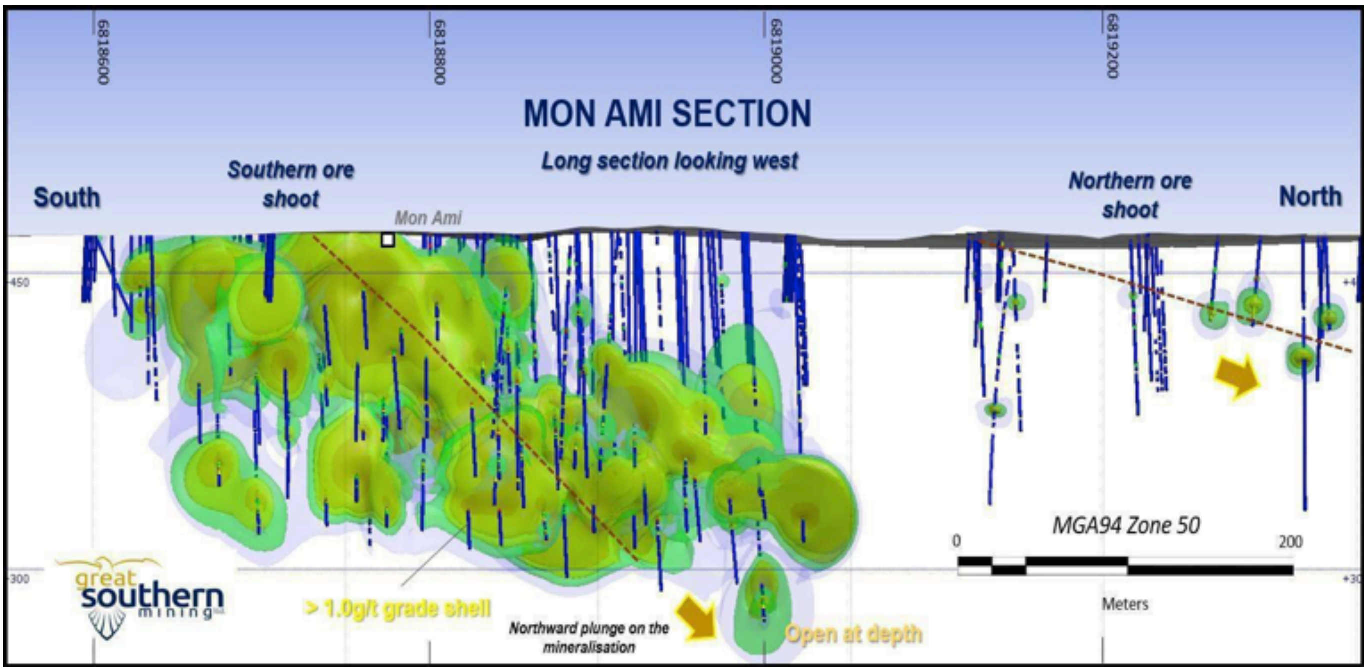
Drilling completed by the Company during the 2018 field season produced a number of exceptionally high grade gold intersections which confirmed previous drilling results eluding to a number of moderately to steeply plunging high-grade ore shoots.

• 8m at **4.17 g/t** Au from 136m (MLRC020)
• 10m at **4.60 g/t** Au from 128m (ML029)
• 2m at **29.85 g/t** Au from 173m (MLRC036)
• 3m at **22.71 g/t** Au from 72m (MLRC024)

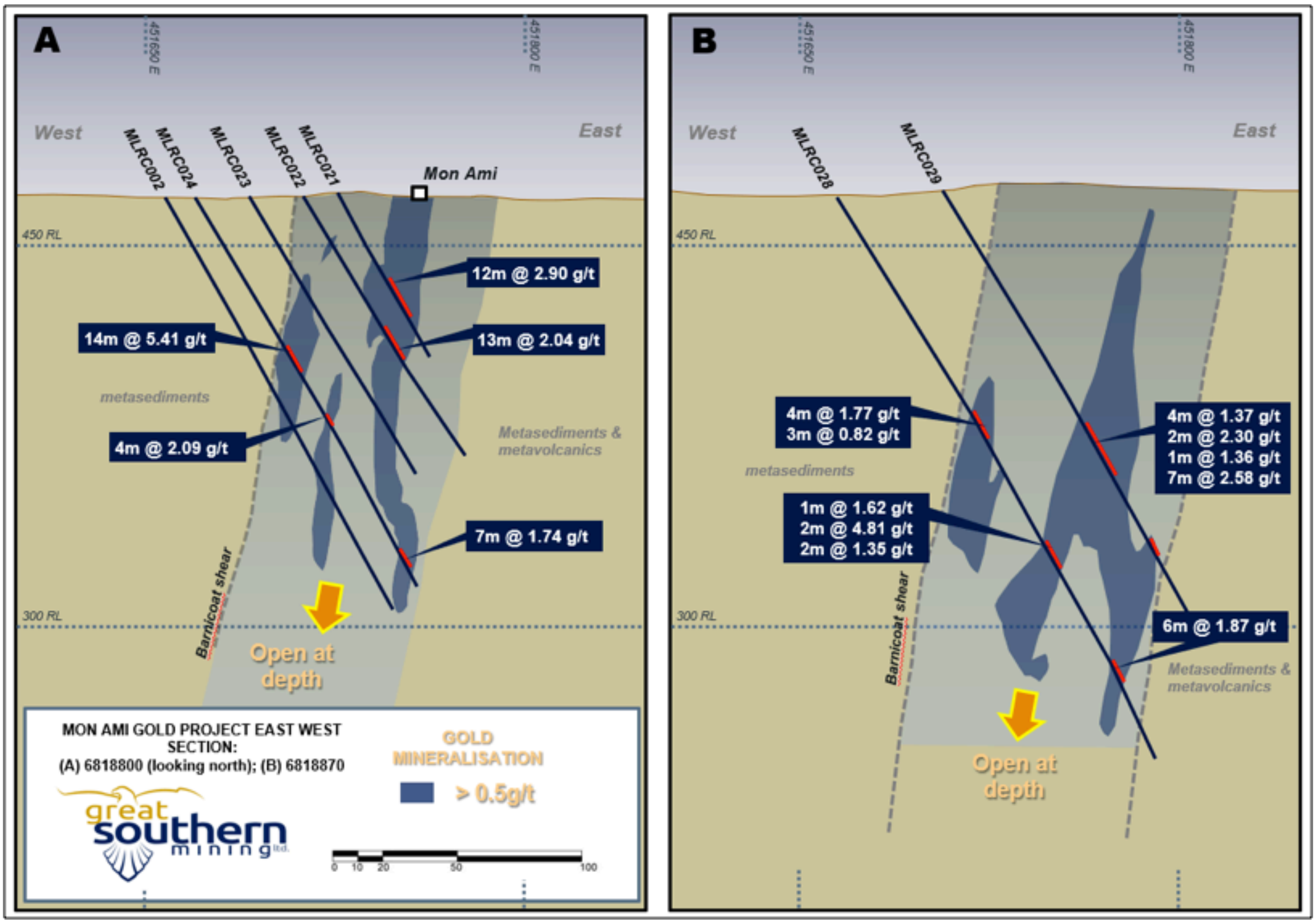
Refer ASX announcement dated 16 July 2018 for further details on this phase 1 of drilling.

The Resource is constrained by the current level of drilling. A number of holes from the initial drilling programme finished in mineralisation below 150m which were not included in the MRE. A second stage drilling program and Estimated Exploration Target was released to the market on 21 February 2019.

Mon Ami shows good potential to develop into a similar deposit plunging northward within the Barnicoat shear. Historical underground mining at Mon Ami targeted a number of 'high-grade quartz reefs' producing 311 ounces of ore at an average grade of 48 g/t Au (GSWA, 1906). Deeper downhole and at depth drilling is planned to test this theory and explore the underground potential of the deposit.



MON AMI GOLD PROJECT - (CONTINUED)



Highlights of the Mon Ami Gold Project

- In November 2018 the Company announced the maiden Mineral Resource estimate on its 100% owned Mon Ami Gold Project in Laverton, Western Australia of 1.1 Mt @ 1.7 g/t for 59,000 ounces of contained gold.
- The Project is well situated close to several active gold processing plants (in some cases less than 15km's).
- Preliminary gold recovery testwork on 10 Mon Ami Gold Project oxide, transitional and fresh composite samples demonstrated excellent gold recoveries, up to 97% using conventional cyanide leaching and gravity concentration.
- Low reagent requirements and coarse grind, expected to result in low processing costs.
- Confirms that a conventional gold processing flowsheet is suitable for treating the Mon Ami Gold Project ores.
- Potential to rapidly add ounces via extensional and infill drilling in the second stage drilling program announced 21 February 2019.

Operating and Financial Review

EDINBURGH PARK PROJECT – NORTH QUEENSLAND

On 11 February 2019 GSN announced the discovery of a new breccia hosted Intrusive Related Gold System (IRGS) mineralized system located at its Edinburgh Park Project in North Queensland.

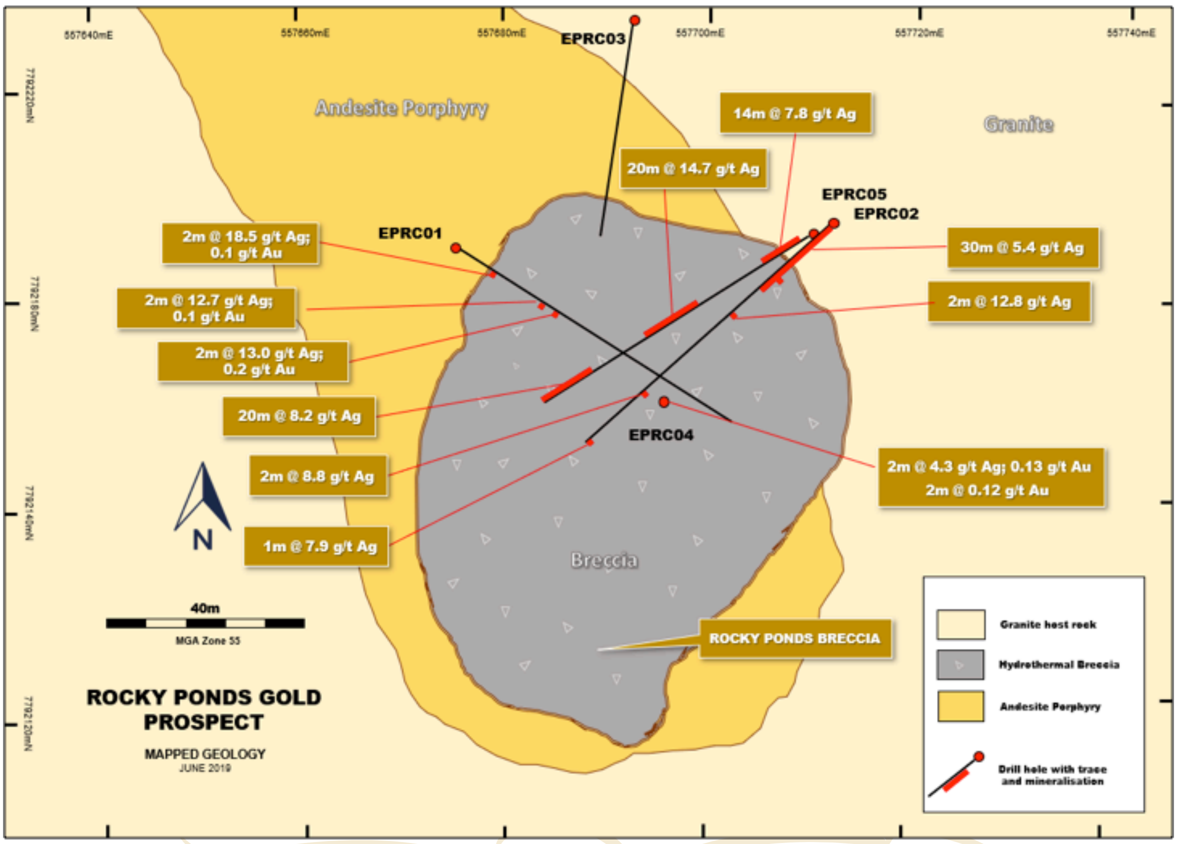
The discovery followed a detailed geoglogical mapping and geochemical program undertaken through late 2018 and early 2019. The Rocky Ponds breccia was considered to be an immediate “drill ready” target with excellent logistical access and exciting rock chip results at surface returning up to 0.38 g/t gold and 6.9 g/t Ag silver confirming associated gold and silver mineralisation.

Following a placement of shares raising $100,000 in April 2019 the Company decided to fast track a small RC drill program to test potential mineralization and understand more of the geology and hydrothermal system to progress exploration methods.

The sighter holes intersected a significant and well developed sulphiric hydrothermal system. Intersections in excess of 30m were noted containing up to 30% sulphide mineralization with high silver content being 1 g/t - 50 g/t with elevated base metals of zinc and copper (0.1% to 0.8%). This shallow part of the system also carried gold mineralization of 0.22 – 0.64 g/t which is encouraging for deeper drill programs currently being planned.

HIGHLIGHTS:

- The program was designed to test potential mineralization of the breccia pipe, understand the system and identify similar analougues.
- The encouraging results have identified a well-developed, high-sulphidation system similar to tier 1 gold systems in the region (e.g.; Mt Carlton (Evolution Mining Limited)).
- Follow up exploration work and drill programs being designed for execution in the second half of 2019.



EDINBURGH PARK PROJECT – NORTH QUEENSLAND - (CONTINUED)

The next steps will be to extract more information from the drilling data collected to understand the controls on the mineralisation in terms of alteration mineralogy, multi-element zoning and vectors to ore. This will involve some petrology and the use of a Hylogger spectral scanner.

The Company is also considering an extensive geophysics campaign and continued geological mapping and geochemistry programs to run in tandem to delineate structures and define size potential - particularly ground magnetics and electrical methods.

The steps will provide solid drilling targets aimed at targeting the potentially Au-rich core.

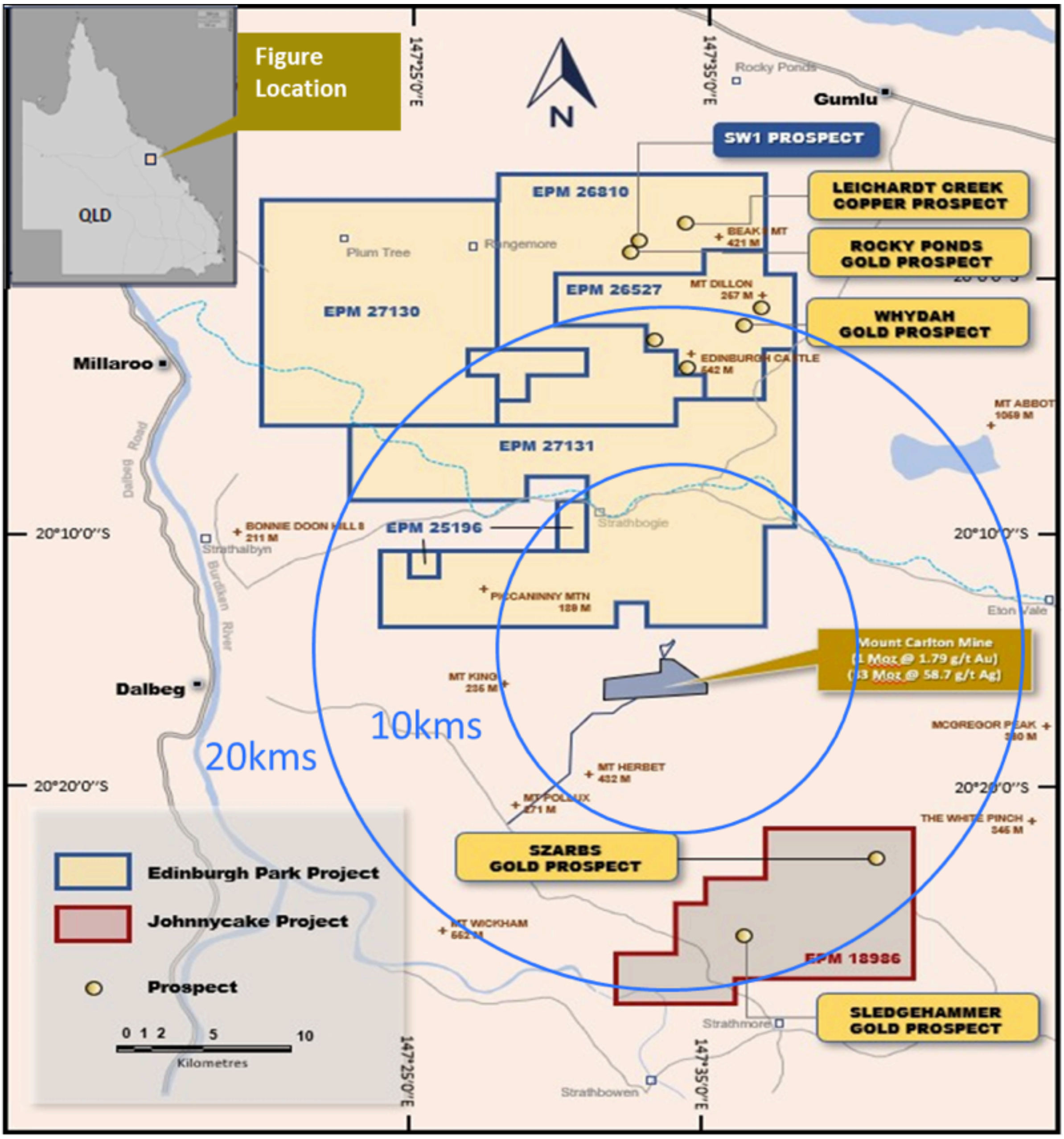


Figure 2: Location of Edinburgh Park Project, along with major Copper, Gold porphyry discoveries and breccia pipes.

Operating and Financial Review

CORPORATE

The following significant matters and changes during the period have occurred:

1. The Company completed a placement of 31,846,669 fully paid ordinary shares to sophisticated investors raising $1,115,429 net of costs.
2. At the General Meeting of Shareholders held 7 March 2019, shareholders approved the issue of 10,000,000 fully paid ordinary shares to an entity related to John Terpu in satisfaction for a $300,000 short-term loan provided to the Company on 31 December 2018. The shares were issued on 11 March 2019.
3. $250,000 raised through issue of 8,333,333 fully paid ordinary shares on 22 March 2019.
4. $100,000 raised through issue of 3,333,333 fully paid ordinary shares on 30 April 2019.
5. $60,000 was raised through the exercise of 3,000,000 options at $0.02 on 31 December 2018 and 29 March 2019. The options were issued under the Company's long-term incentive plan.
6. In September 2018 the Company entered into an agreement to acquire a 100% interest in a tenement package from Central Australian Rare Earths Pty Ltd (CARE), an Australian registered entity. The Company acquired the rights to licences E38/2829, E38/2442; E38/2587 and E38/2856. Consideration payable for the transaction consisted of a cash payment of $99,240 and 1,000,000 fully paid GSN shares (at an issue price of $0.035 per share), subject to voluntary escrow until 30 December 2018 (500,000 shares) and 30 June 2019 (500,000 shares).
7. The Company completed due diligence on the Cox's Find Gold Project and paid $150,000 cash on 26 August 2019.

FINANCIAL POSITION AND PERFORMANCE

The Company's net assets increased 12% from the year ended 30 June 2018 predominately due to investment in exploration and the acquisition of the Mt Weld Project. Following the successful capital raising activities during the year the Company advanced exploration activities in North Queensland and undertook metallurgical work on the Mon Ami Gold Project. In early 2019 the Company raised additional capital to fund reconnaissance drilling at the Rock Ponds Breccia Pipe.

The Company held $0.2 million as cash and cash equivalents at 30 June 2019.

Operating cash outflows for the period totalled $1.4 million with cash outflows from investing activities totalling $0.9 million.

The Company has performed in a manner consistent with that of a junior exploration company. The focus during the period was on undertaking drilling and exploration programs. The net loss for the period of $1.4 million is reflective of the corporate and overhead costs incurred in ensuring regulatory compliance is maintained, legal fees incurred in relation to corporate activities during the year and a non cash impairment charge of $0.14 million relating to the Black Mountain Project in North Queensland.

The Company also employed a Chief Financial Officer and Company Secretary in April 2018 along with additional corporate staff in June 2018. Therefore the full year to 2019 included the annual payments made rather than the three months as was the case in 30 June 2018.

Future Prospects

As discussed elsewhere in the Review of Operations Report, with the capital raising undertaken in August 2019 the Company is looking to further drilling campaigns at the Cox's Find Gold Project, the Edinburgh Park Project and the Mt Weld Project. Additional drilling programs are also being considered at Mon Ami.

Further disclosure of information regarding likely developments in the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Therefore, this information has not been presented in this report.

BUSINESS RISKS

The company is subject to a number of risks that could potentially have an adverse impact on the performance of the Company. The Company has in place policies and procedures to monitor and manage these risks which can broadly be catergorised as:

- commodity prices;
- currency risks;
- market risks;
- liquidity risks; and
- credit risks.

Additionally the company is subject to a number of operational risks including, but not limited to, the following:

- operational and costs;
- Tenement and title;
- Resource estimation;
- Exploration funding and capital;
- Solvency; and
- Uncertainty around future development of projects and exploration risk.

The risks are considered to be common for a company which is undertaking early stage exploration programs. GSN is not a mineral producer and the exposure to commodity risk and currency risk is minimal. Additionally, liquidity risk is a constant focus of the directors' being mindful of the ability of the Company to raise additional capital to meet expenditure commitments and further drilling programs. Further disclosure of these risks can be found in Note 20 to the Financial Statements.

COMPETENT PERSONS STATEMENT

The information in this report that relates to exploration targets and exploration results on M38/1256, E38/2829, E38/2442, E38/2856, E38/2857, EPM26810, EPM26527, M38/578, M38/170 and M38/740 is based on, and fairly represents, information and supporting documentation compiled by Dr Bryce Healy. Dr Healy is an employee of Noventum Group Pty Ltd (ACN 624 875 323) and has been engaged by Great Southern Mining Limited as Head of Exploration. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration. Dr Healy is a Member of the Australian Institute of Geoscientists and as such, is a Competent Person for the Reporting of Exploration Results, Mineral Resources and Ore Reserves under the JORC Code (2012). Dr Healy consents to the inclusion in the report of the matters based on his information in the form and context in which they occur.

The information in this report that relates to the Mineral Resources estimation approach at the Project is based on information compiled by Dr Michael Cunningham, GradDip, (Geostatstics) BSc honours (Geoscience), PhD, MAusIMM, MAIG. Dr Cunningham is a Principal Consultant, full-time, of SRK Consulting (Australasia) Pty Ltd. He has sufficient experience relevant to the assessment and of this style of mineralisation to qualify as a Competent Person as defined by the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012)". Dr Cunningham consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

COMPETENT PERSONS STATEMENT (CONTINUED)

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Dr Healy. Statements regarding the Company's plans with respect to Mineral Resources, exploration programs and future developments are forward-looking statements. There can be no assurance that the Company's plans will proceed at stated times in the future. Additionally, future drilling programs and outcomes presented are based on current estimates using information available at the time of the documents preparation. There is no guarantee that the programs will confirm the presence of additional mineral resources.

The information in this review of operations has contained information that has been extracted from a number of ASX announcements released during the year and up to the date of this report. All announcements are available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

FORWARD LOOKING STATEMENTS:

Forward- looking statements are only predictions and are not guaranteed. They are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of the Company. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward looking statements or other forecast. The occurrence of events in the future are subject to risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to differ from those referred to in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward- looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, the Company, its directors, officers, employees and agents do not give any assurance or guarantee that the occurrence of the events referred to in this announcement will occur as contemplate.

Statements regarding the Company's plans with respect to Mineral Resources, exploration programs and future developments are forward-looking statements. There can be no assurance that the Company's plans will proceed at stated times in the future. Additionally, future drilling programs and outcomes presented are based on current estimates using information available at the time of the documents preparation. There is no guarantee that the programs will confirm the presence of additional mineral resources. Any opinions expressed in the presentation are subject to change without notice.

Your directors submit the annual financial report of Great Southern Mining Limited, (the Company), for the year ended 30 June 2019.

DIRECTORS AND COMPANY SECRETARY

The names of directors and the secretary who held office during or since the end of the year and until the date of this report are as follows.

John Terpu – Executive Chairman (Appointed Non-executive Chairman 12 January 2011, appointed Executive Chairman 1 July 2013)

Mr Terpu has over twenty years of commercial and management expertise gained in a broad range of business and investment activities. He has been involved in the mining and exploration industry through the acquisition and investment in a number of strategic exploration and mining projects. Mr Terpu has a wide range of contacts in the exploration and mining investment community. Mr Terpu had no other public company directorships in the previous three years.

Kathleen Bozanic B.Com, ACA, AICD – Non-executive Director (Appointed 26 April 2018)

Ms Bozanic is a chartered accountant with over twenty five years of experience in compliance, governance, risk, commercial and financial management, including leadership experience in strategic transformation and restructuring. Ms Bozanic also has considerable experience as an Audit Partner, Chief Financial Officer and the General Manager of Finance in the mining and construction sector. Ms Bozanic had no other public company directorships in the previous three years.

Mr Andrew Caruso B.Eng (Mining)(Hons), Grad Dip. Applied Finance & Investment – Non-executive Director (Appointed 26 April 2018)

Mr Caruso is a mining engineer with over twenty five years experience in the Australian and international mining industries with a focus on corporate leadership, business development, operations and strategic planning and mine management. His experience includes over nine years as the chief executive for a number of iron ore and coal operations and development companies. Mr Caruso was a non-executive director of Ascot Resources Ltd, resigning in April 2018 he had no other public company directorships in the previous three years.

COMPANY SECRETARY

Mark Petricevic CA, AGIA, B.Com (Acctg & C. Finance) (Appointed 30 April 2018)

Mark is a chartered accountant with over sixteen years experience in accounting, audit and corporate finance including four years as an Audit and Assurance Partner. Mark has had no public company directorships in the previous three years.

DIRECTORS' MEETINGS

The number of meetings of the Company's Board of Directors attended by each Director during the year ended 30 June 2019 was as follows:

Directors	Nº of Board Meetings Held Whilst in Office	Nº of Board Meetings Attended
J. Terpu	10	10
K. Bozanic	10	10
A. Caruso	10	10

INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

The following relevant interests in shares and options of the company or a related body corporate were held by the directors as at the date of this report:

Directors	Number of fully paid ordinary shares	Number of fully paid Listed Options*
John Terpu	117,309,351	39,103,117
K. Bozanic	1,200,000	400,000
A. Caruso	1,200,000	400,000

* On 30 July 2019 the Company announced its intention to undertake a significant capital raising via a non-renounceable pro-rata Rights Issue. On 5 August 2019 a Prospectus was released for a non-renounceable pro rata entitlement issue to Shareholders of one (1) New Option for every three (3) Shares held by Eligible Shareholders registered at the Record Date at an issue price of $0.010 per New Option to raise up to approximately $1,011,374 before costs. The New Options are exercisable at $0.05 per New Option on or before three (3) years from issue date. The Rights Issue closed on the 28 August 2019 which resulted in the issue of 83,588,449 New Options raising a total of $835,884 before costs. The directors took up their entitlements and were issued the options on 4 September 2019.

UNLISTED OPTIONS

Details of options issued by the Company during or since the end of the financial year, and ordinary shares issued as a result of the exercise of an option are:

- 3,300,000 unlisted options issued on 16 November 2018 under the Company's long-term incentive plan. No options have been issued to Directors of the Company during the period. 1,500,000 options were exercised at an exercise price of $0.02 on 31 December 2018. A further 1,500,000 options were exercised at $0.02 on 29 March 2019.

At the date of this report unissued ordinary shares of the Company under option are:

Date options granted	Expiry date	Exercise price of shares ($)	Number under option
14-May-18	31-Dec-19	$0.02	11,800,000
16-Nov-18	31-Dec-19	$0.02	300,000

The 11.8 million options were issued to a Senior Advisor of the Company upon entering a consulting arrangement.

0.3 million options were issued to a consulting geologist for services provided.

These options are unlisted and do not entitle the holder to participate in any share issue of the Company.

NEW OPTIONS

On 30 July 2019 the Company announced its intention to undertake a significant capital raising via a non-renounceable pro-rata Rights Issue. On 5 August 2019 a Prospectus was released for a non-renounceable pro rata entitlement issue to Shareholders of one (1) New Option for every three (3) Shares held by Eligible Shareholders registered at the Record Date at an issue price of $0.010 per New Option to raise up to approximately $1,011,374 before costs. The New Options are exercisable at $0.05 per New Option on or before three (3) years from issue date. The Rights Issue closed on the 28 August 2019 which resulted in the issue of 83,588,449 New Options raising a total of $835,884 before costs. The shortfall will be placed at the director's discretion within three months.

DIVIDENDS

No dividends were declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

REVIEW OF OPERATIONS

During the year, the Company carried out exploration on its tenements with the objective of identifying economic deposits of gold and other metals. The full review of operations immediately precedes this report.

Operating results for the year

The net result of operations, for the year, was a loss after income tax of $1,435,516 (2018: $725,433). The Operating and Financial Review can be found immediately preceding this Directors' Report.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was exploration for and evaluation of economic deposits for gold and other minerals in Western Australia and Queensland.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year, the following changes occurred:

1. In September 2018 the Company entered into a transaction to acquire several exploration licences from Central Australia Rare Earths Pty Ltd, a wholly owned subsidiary of Strategic Minerals plc, an AIM listed company. The transaction concluded in November 2018 and resulted in the payment of $99,240 cash and issue of 1 million shares in the Company.
2. On 6 June 2019 the Company announced it had entered a binding term sheet to acquire the Cox's Find Gold Project in Laverton, Western Australia. The transaction was unconditional at the date of this report. Refer to details below.

ISSUE OF SHARE CAPITAL:

1. The Company completed a placement of 31,846,669 fully paid ordinary shares to sophisticated investors raising $1,115,429 net of costs.
2. At the General Meeting of Shareholders held 7 March 2019, shareholders approved the issue of 10,000,000 fully paid ordinary shares to an entity related to John Terpu in satisfaction for a $300,000 short-term loan provided to the Company on 31 December 2018. The shares were issued on 11 March 2019.
3. $250,000 raised through issue of 8,333,333 fully paid ordinary shares on 22 March 2019.
4. $100,000 raised through issue of 3,333,333 fully paid ordinary shares on 30 April 2019.
5. $60,000 was raised through the exercise of 3,000,000 options at $0.02 on 31 December 2018 and 29 March 2019. The options were issued under the Company's long-term incentive plan.
6. In September 2018 the Company entered into an agreement to acquire a 100% interest in a tenement package from Central Australian Rare Earths Pty Ltd (CARE), an Australian registered entity. The Company acquired the rights to licences E38/2829, E38/2442; E38/2587 and E38/2856. Consideration payable for the transaction consisted of a cash payment of $99,240 and 1,000,000 fully paid GSN shares (at an issue price of $0.035 per share), subject to voluntary escrow until 30 December 2018 (500,000 shares) and 30 June 2019 (500,000 shares).

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 30 July 2019 the Company announced its intention to undertake a significant capital raising via a non-renounceable pro-rata Rights Issue to existing shareholders to raise up to $1,011,374 before costs.

The Rights Issue closed on the 28 August 2019 which resulted in the issue of 83,588,449 New Options raising a total of $835,884 before costs. The shortfall will be placed at the director's discretion within three months.

In addition, the Company entered a loan agreement for $500,000 with a director related entity. The loan is unsecured and on commercial terms.

As announced by the Company on 5 June 2019, the Company entered into an agreement with a third party for the purchase of the Cox's Find Gold Project. On 26 August 2019, the Company concluded its due diligence procedures and the Directors resolved to proceed with the transaction to acquire the Cox's Find Gold Project. The Completion Payment ($150,000) was paid on this date and funded via the short-term loan funds provided to the Company on 30 July 2019. Refer to Note 18 and Note 21 for further details.

On 18 July 2019, recognising the prospective nature of the Palmer River in North Queensland and with the view to acquiring additional exploration tenure at low cost the Company lodged 2 applications for Mt Bennett and Eagle Mountain Projects. The Project areas were not previously pegged and the area has been subject to little historical exploration. The Directors are not aware of any reason that would result in the applications not being granted to the Company.

Apart from the above, there has not been any other matter or circumstance that has arisen after the reporting date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

LIKELY DEVELOPMENTS & EXPECTED RESULTS

Disclosure of information regarding likely developments in the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Therefore, this information has not been presented in this report.

ENVIRONMENTAL LEGISLATION

The Company is not subject to any significant environmental legislation.

INDEMNIFICATION & INSURANCE OF DIRECTORS AND OFFICERS

The Company has agreed to indemnify all the directors of the company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as directors of the Company, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium in respect of a contract insuring the directors and officers of the Company against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for the key management personnel ("KMP") of the Company for the financial year ended 30 June 2019. KMP's being defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise). The report also includes remuneration arrangements of the executives in the Company receiving the higher remuneration. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

KEY MANAGEMENT PERSONNEL

DIRECTORS

J. Terpu (Executive Chairman appointed 1 July 2013, Non-executive Chairman appointed 12 January 2011).

K. Bozanic (Non-executive Director appointed 26 April 2018).

A. Caruso (Non-executive Director appointed 26 April 2018).

COMPANY SECRETARY AND CFO

M. Petricevic (Company Secretary and CFO, appointed 30 April 2018).

The following Directors were in office during the 2018 comparative period:

B. Firriolo (Non-executive Director and Company Secretary appointed 12 January 2011, resigned 26 April 2018 and 30 April 2018 respectively).

J. Radici (Non-executive Director appointed 31 March 2015, resigned 26 April 2018).

REMUNERATION PHILOSOPHY

The performance of the Company depends upon the quality of the directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration

REMUNERATION COMMITEE

Great Southern Mining Limited has not established a Remuneration Committee. The Board of Directors of the company is responsible for determining and reviewing compensation arrangements for the directors and the executive team.

The Board of Directors assesses the appropriateness of the nature and amount of remuneration of directors and executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.

REMUNERATION STRUCTURE

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

NON-EXECUTIVE DIRECTOR REMUNERATION

The Board seeks to set aggregate remuneration 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.

The ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The latest determination was at a General Meeting, prior to the Company's listing on ASX, held on 30 March 2011 when shareholders approved an aggregate remuneration of $300,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board refers to the fees paid to non-executive directors of comparable companies, when undertaking the annual review process.

SENIOR MANAGER AND EXECUTIVE DIRECTOR REMUNERATION

Remuneration consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

FIXED REMUNERATION

Fixed remuneration is reviewed annually by the Board of Directors. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Board has access to external, independent advice where necessary.

Senior managers and executive directors are given the opportunity to receive their fixed (primary) 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.

VARIABLE REMUNERATION

A long-term incentive plan was adopted by shareholders of the Company at the general meeting of members held 29th June 2018. 1,500,000 options were issued to M Petricevic during the period. These options were exercised on 31 December 2018.

SERVICE AGREEMENTS

Remuneration and other terms of employment for the Executive Directors and other Key Management Personnel are formalised in a Service Agreement. The major provisions of the agreements relating to remuneration are set out below:

Employee	Base salary ($) inclusive of superan-nuation	Term of agreement	Notice period
J Terpu	219,000	2 years	6 months
M Petricevic	180,000	No fixed term	3 months

REMUNERATION REPORT (CONTINUED)

Remuneration of key management personnel ('KMP')

Table 1: KMP remuneration for the years ended 30 June 2019 and 30 June 2018.

			Short-term employee benefits			Post-employment benefits	Other long-term benefits			
Directors	Year	Cash Salary & Fees $	Bonuses $	Non-Monetary Benefits $	Annual Leave* $	Superannuation $	Long-service Leave* $	Equity Share Options $	Total $	Performance Related %
J Terpu Executive Chairman	2019	209,500	-	7,773	27,374	19,903	5,097	-	269,649	-
	2018	45,665	-	5,265	-	4,338	20,350	-	75,618	-
B Firriolo Non-Executive Director	2019	-	-	-	-	-	-	-	-	-
	2018	4,566	-	551	-	20,434	-	-	25,551	-
J. Radici Non-Executive Director	2019	-	-	-	-	-	-	-	-	-
	2018	-	-	551	-	10,000	-	-	10,551	-
K. Bozanic Non-Executive Director	2019	35,000	-	-	-	3,325	-	-	38,325	-
	2018	6,217	-	-	-	591	-	-	6,808	-
A. Caruso Non-Executive Director	2019	35,000	-	-	-	3,325	-	-	38,325	-
	2018	6,217	-	-	-	591	-	-	6,808	-
Total to Directors	2019	279,500	-	7,773	27,374	26,553	5,097	-	346,296	-
	2018	62,665	-	6,367	-	35,954	20,350	-	125,335	-
Other Key Management Personnel										
M Petricevic Company Secretary/CFO	2019	164,996	-	-	8,512	15,675	432	19,878	209,493	-
	2018	28,557	-	551	-	2,713	22	-	31,843	-
Total to KMP	2019	444,496	-	7,773	35,886	42,227	5,529	19,878	555,789	-
	2018	91,222	-	6,918	-	38,666	20,372	-	157,178	-

K Bozanic, A Caruso and M Petricevic commenced with the Company in April 2018 and therefore full annual amounts have included in the period to 30 June 2019.

* The amounts disclosed in this column represent the movements in the associated provisions. They may be negative where a KMP has taken more leave than accrued during the period.

No performance related remuneration was paid to any director or Key Management Personnel during 2018 and 2019.

REMUNERATION REPORT (CONTINUED)

OPTION PLANS IN EXISTENCE DURING THE FINANCIAL YEAR:

On 29 June 2018 the Shareholders of the Company approved the long-term incentive plan to be adopted.

The following options were issued on 14 November 2018 to key management personnel during the period under the long-term incentive plan:

Issued to M Petricevic:

	Number of Options	Option Fair Value
Outstanding at 30 June 2018	-	$
Granted	1,500,000	19,878
Exercised	(1,500,000)	-
Outstanding and exercised at 30 June 2019	-	19,878

The 1,500,000 options were exercised during the period at $0.02 per share raising $30,000. The weighted average exercise price of the options was $0.02.

The fair market value of options granted during the period has been included in the statement of profit or loss and other comprehensive income.

The fair value of options granted were determined using the Black-Scholes option pricing model. There were no performance based, or service based vesting conditions attached to the Options.

The following principal assumptions were used in the valuation:

Valuation assumptions		
Grant date		01-Nov-18
Share price at date of grant	$	0.035
Volatility		86%
Expiry date		31-Dec-19
Dividend yield		0
Risk free investment rate		1.50%
Fair value at grant date	$	0.013
Exercise price at date of grant	$	0.020
Exercisable from		01-Nov-18
Weighted average remaining contractual life		1 yr

The underlying expected volatility was determined by reference to historical data of the Company's shares over a period of time. No special features inherent to the options granted were incorporated into measurement of fair value.

On 28 August 2019 the Company completed a rights issue of New Options. The Directors took up their entitlements in full with J.Terpu being issued 39,103,118 New Options. K.Bozanic and A.Caruso were issued 400,000 New Options each. M.Petricevic was issued 500,000 New Options. Refer to note 21.

REMUNERATION REPORT (CONTINUED)

SHARE-BASED COMPENSATION TO DIRECTORS AND EXECUTIVES DURING THE YEAR:

In March 2019 J. Terpu was issued 10,000,000 shares following conversion to equity of the $300,000 Director Loan received by the Company on 31 December 2018. This transaction was approved at the General Meeting of Shareholders held 7 March 2019. The ordinary shares were not issued as part of remuneration.

During the prior period the Company issued 15,000,000 fully paid ordinary shares to entities associated with Mr John Terpu as consideration for the acquisition of the Mon Ami Gold Project, approved by shareholders at a General Meeting held 29 March 2018. The ordinary shares were not issued as part of remuneration.

OPTIONS GRANTED TO DIRECTORS AND EXERCISED OR LAPSED DURING THE YEAR:

Nil options granted or exercised to/by directors during the period or the prior period.

MOVEMENTS IN KMP SHARE HOLDINGS

Fully paid ordinary shares – directly and indirectly held

2019	Opening Balance 1/7/2018	At time of commencing/ (ceasing)	Bought	Sold	Closing Balance 30/06/2019
J. Terpu	105,667,717	-	11,641,634	-	117,309,351
K. Bozanic	1,200,000	-	-	-	1,200,000
A. Caruso	1,200,000	-	-	-	1,200,000
M Petricevic*	-	-	1,500,000	-	1,500,000

*1,500,000 options were issued to and exercised by M Petricevic during the period at $0.02 per option.

Note: the increase for J Terpu also includes 10,000,000 shares issued on 11 March 2019 following conversion of Director loan to equity, approved at the General Meeting of Shareholders held 7 March 2019. All other shares were acquired on market.

2018	Opening Balance 1/7/2017	At time of commencing/ (ceasing)	Bought	Sold	Closing Balance 30/06/2018
J. Terpu	72,394,181	-	33,273,536	-	105,667,717
B. Firriolo	1,790,000	(1,790,000)	-	-	-
J.Radici	100,000	(100,000)	-	-	-
K. Bozanic	-	1,200,000	-	-	1,200,000
A. Caruso	-	1,200,000	-	-	1,200,000

The increase for J Terpu of 33,273,536 during 2018 includes the 15,000,000 shares issued relating to the acquisition of the Mon Ami Gold Project, subject to 12 months escrow, as announced on the ASX on 22 February 2018. No cash consideration was payable.

All other shares were acquired on market.

REMUNERATION REPORT (CONTINUED)

Transactions with Key Management Personnel

The following comprises amounts paid or payable and received or receivable applicable to entities in which KMP have an interest.

Directors	2019 $	2018 $
Paid/payable to:		
Paid to Valleybrook Investments Pty Ltd*	100,000	-
Valleyrose Pty Ltd**	300,000	
J Terpu (as Director of Ruby Lane Pty Ltd atf Red Star Trust) for rental and office services.	79,294	318,768
Amounts owed to related parties at 30 June 2019 including Ruby Lane Pty Ltd Chellingtons Pty Ltd and Valleybrook Investments Pty Ltd:	158,630***	273,630

* During the year to 30 June 2018 $250,000 was agreed to be paid to Valleybrook Investments Pty Ltd relating to the acquisition of the Mon Ami Gold Project. Consideration also included a Royalty Deed which is further outlined in Note 17. During the period to 30 June 2019, $100,000 was paid in relation to this transaction. $150,000 remains outstanding to Valleybrook Investments Pty Ltd. This amount has been included as a current liability at Note 12.

** This amount represents the market value of 10,000,000 shares issued to Valleyrose Pty Ltd in satisfaction of the Director Loan provided on 31 December 2018. 10,000,000 shares were issued on 11 March 2019 following conversion of the Director Loan to equity, approved at the General Meeting of Shareholders held 7 March 2019.

*** In addition to the outstanding balance of $150,000 owed to Valleybrook Investments Pty Ltd $8,630 is also payable to Ruby Lane Pty Ltd at 30 June 2019.

VOTING AND COMMENTS MADE AT THE COMPANY'S 2018 ANNUAL GENERAL MEETING

The Company received more than 99% of "yes" votes on its remuneration report for 2018. No specific feedback at the AGM or throughout the year was received.

PROCEEDINGS ON BEHALF OF THE COMPANY

No persons have applied for leave pursuant to section 327 of the Corporation Act 2001 to bring, or intervene in, proceedings on behalf of Great Southern Mining Limited.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is set out on page 22 and forms part of this directors' report for the year ended 30 June 2019.

NON-AUDIT SERVICES

No amounts were paid or payable to the auditor for non-audit services provided during the year.

Signed in accordance with a resolution of the directors.

John Terpu

Executive Chairman

Perth WA

13 September 2019

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Great Southern Mining Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
13 September 2019

M R Ohm
Partner

Corporate Governance Statement

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, Great Southern Mining Limited (the "Company") has adopted the third edition of the Corporate Governance Principles and Recommendations which was released by the ASX Corporate Governance Council on 27 March 2014 and became effective for the financial years beginning on or after 1 July 2014.

The Company's Corporate Governance Statement for the financial year ended 30 June 2019 was approved by the Board on 13 September 2019. The Corporate Governance Statement is available on the Company's website at www.gsml.com.au.

Great Southern Mining Limited
Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2019

	Notes	2019 $	2018 $
Revenue and other income	**2**	**3,156**	**15,348**
Expenses			
Administration expenses	2	(439,528)	(454,806)
Consulting fees		(77,193)	(85,000)
Directors' Benefits		(295,650)	(98,619)
Employee Benefits expense		(240,120)	(59,537)
Legal Fees		(109,830)	(40,491)
Depreciation expense		(5,295)	(2,328)
Impairment of exploration expenditure	11	(146,471)	-
Exploration and evaluation expenditure not capitalised		(78,830)	-
Share Based Payment Expense	23	(45,756)	-
Total expenses		(1,438,673)	(740,782)
Loss before income tax expense		(1,435,517)	(725,433)
Income tax expense	4	-	-
Net loss for the year		(1,435,517)	(725,433)
Other comprehensive income, net of income tax			
Items that may be reclassified to profit or loss			
Net loss on equity instruments designated at fair value through other comprehensive income		(25,729)	-
Transfer of fair value of available-for-sale investments		-	42,000
Income tax expense		-	-
Total comprehensive (loss)/income for the year		(1,461,246)	(683,433)
Basic and diluted loss per share (cents per share)	5	(0.51)	(0.35)

The accompanying notes form part of these financial statements.

Great Southern Mining Limited
Statement of Financial Position As at 30 June 2019

	Notes	2019 $	2018 $
CURRENT ASSETS			
Cash and cash equivalents	6	208,044	748,423
Other assets	7	31,409	13,244
TOTAL CURRENT ASSETS		**239,453**	**761,667**
NON-CURRENT ASSETS			
Other receivables - non current	8	12,500	10,000
Available-for-sale listed securities	9	-	180,000
Plant and equipment	10	14,913	19,518
Exploration and evaluation expenditure	11	4,363,187	3,455,352
TOTAL NON-CURRENT ASSETS		**4,390,600**	**3,664,870**
TOTAL ASSETS		**4,630,053**	**4,426,537**
CURRENT LIABILITIES			
Trade and other payables	12	523,836	810,403
Employee benefits	13	78,172	34,014
TOTAL CURRENT LIABILITIES		**602,008**	**844,416**
TOTAL LIABILITIES		**602,008**	**844,416**
NET ASSETS		**4,028,045**	**3,582,121**
EQUITY			
Issued capital	14	23,611,759	21,750,349
Reserves	15	80,756	128,470
Accumulated losses		(19,664,471)	(18,296,697)
TOTAL EQUITY		**4,028,045**	**3,582,121**

The accompanying notes form part of these financial statements.

Great Southern Mining Limited
Statement of Cash Flow For the year ended 30 June 2019

	Notes	2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,422,891)	(649,041)
Interest received		3,156	18,364
NET CASH USED IN OPERATING ACTIVITIES	16	**(1,419,735)**	**(630,676)**

CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		-	(7,972)
Payments for exploration and evaluation expenditure		(1,101,775)	(584,154)
Proceeds from sale of available-for-sale investments		154,721	-
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		**(947,054)**	**(592,127)**

CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of Shares (net of costs)		1,526,410	1,100,846
Proceeds from Director Loan		300,000	-
NET CASH PROVIDED BY FINANCING ACTIVITIES		**1,826,410**	**1,100,846**

NET DECREASE IN CASH HELD		**(540,379)**	**(121,957)**
Cash at beginning of year		748,423	870,380
CASH AT END OF YEAR	6	**208,044**	**748,423**

The accompanying notes form part of these financial statements.

	Notes	Issued Capital $	Accumulated Losses $	Financial Asset Reserve $	Share Option Reserve $	Total $
30 June 2018						
Balance at 31 July 2017		20,169,503	(17,571,264)	51,470	-	2,649,709
Options Issued During the Period		-	-	-	35,000	35,000
Issue of Share Capital	14	1,118,416	-	-	-	1,118,416
Capital Raising costs	14	(17,570)	-	-	-	(17,570)
Issue of Shares under share-based payment		480,000	-	-	-	480,000
		21,750,349	(17,571,264)	51,470	35,000	4,265,555
Loss for the year		-	(725,433)	-	-	(725,433)
Change in the fair value of equity instruments designated at FVOCI		-	-	42,000	-	42,000
Total Comprehensive Loss		-	(725,433)	42,000	-	(683,433)
Balance at 30 June 2018		21,750,349	(18,296,697)	93,470	35,000	3,582,122

30 June 2019						
Balance at 1 July 2018		21,750,349	(18,296,697)	93,470	35,000	3,582,122
Options Issued During the Period		-	-	-	45,756	45,756
Issue of Share Capital	14	1,939,250	-	-	-	1,939,250
Capital Raising costs	14	(77,840)	-	-	-	(77,840)
		23,611,759	(18,296,697)	93,470	80,756	5,489,288
Loss for the year		-	(1,435,516)	-	-	(1,435,516)
- Change in Fair value of equity instruments designated at FVOCI		-	-	(25,729)	-	(25,729)
Total Comprehensive Loss - Transfer of fair value reserve of equity instruments designated at FVOCI		-	67,741	(67,741)	-	-
Balance at 30 June 2019		23,611,759	(19,664,471)	-	80,756	4,028,045

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

Your directors present their report on the Company for the financial year ended 30 June 2019. The Company is a listed public company registered in Australia. The principal activities are the exploration for and evaluation of economic deposits for gold and other minerals in North Queensland and Western Australia. The address of the Company's registered office is Suite 4, 213 Balcatta Rd, Balcatta WA 6021.

(b) Basis of preparation and statement of compliance

The general-purpose financial statements of the Company have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Great Southern Mining Limited is a for-profit entity for the purpose of preparing the financial statements

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated.

The financial report is presented in Australian dollars. The financial statements for the year ended 30 June 2019 were approved and authorised for issue by the Board of Directors on 13 September 2019.

(c) Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards

A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 July 2018. Information on the more significant standard(s) relevant to the Company is presented below.

AASB 9 Financial Instruments – resulted in gains and losses reclassified from OCI as a result of a reclassification of financial assets from the fair value through OCI measurement category to fair value through profit or loss.

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

The investment classifications available-for-sale financial assets and Held-to-maturity investment' are no longer used and Financial assets at fair value through other comprehensive income (FVOCI) was introduced. The Company had $180,000 of available-for-sale financial assets at 30 June 2018. These have been reclassified to Financial assets at fair value through other comprehensive income (FVOCI). When adopting AASB 9, the Group has applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are recognised in opening retained earnings as at 1 July 2018.

AASB 15 Revenue from Contracts with Customers – no impact on the Company.

AASB 2016-5 Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions.

AASB 2018-1 Amendments to Australian Accounting Standards - Annual Improvements 2015-2017 Cycle.

Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Adoption of new and revised standards (continued)

Changes in accounting policies on initial application of Accounting Standards

The directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2019. A summary of the impact is contained in the table below:

New /revised Pronouncement	Superseded Pronouncement	Nature of Change	Effective Date	Likely impact on initial application
AASB 16 Leases	AASB 117 Leases, Int. 4 Determining whether an Arrangement contains a Lease, Int. 115 Operating Leases—Lease Incentives, Int. 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease	AASB 16: a. replaces AASB 117 Leases and some lease-related Interpretations b. requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases c. provides new guidance on the application of the definition of lease and on sale and lease back accounting d. largely retains the existing lessor accounting requirements in AASB 117 e. requires new and different disclosures about leases.	01-Jul-19	Based on the entity's assessment, it is expected that the first-time adoption of AASB 16 for the year ending 30 June 2020 will have a material impact on the transactions and balances recognised in the financial statements, in particular: - At the time of the assessment the Company is a junior exploration Company. As exploration leases are excluded from AASB 16 the only material lease which may impact the financial statements is the lease over the premises. - lease assets and financial liabilities on the statement of financial position will increase by approximately $0.16 million respectively (based on the facts at the date of the assessment). - there will be a reduction in the reported equity as the carrying amount of lease assets will reduce more quickly than the carrying amount of lease liabilities. - EBIT in the statement of profit or loss and other comprehensive income will be higher as the implicit interest in lease payments for former off-balance sheet leases will be presented as part of finance costs rather than being included in operating expenses. - operating cash outflows will be lower and financing cash flows will be higher in the statement of cash flows as principal repayments on all lease liabilities will now be included in financing activities rather than operating activities. Interest can also be included within financing activities.
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.				

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Exploration and evaluation expenditure carried forward

In accordance with accounting policy Note 1 (q), management determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. In determining this, assumptions including the maintenance of title, ongoing expenditure and prospectivity are made. During the year, $146,471 (2018: nil) of expenditure was written off. See Note 11 for disclosure of carrying values.

Recovery of deferred tax assets

Deferred tax assets are currently not recognised in the financial statements. The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised. Given the current stage of the Company's exploration and development cycle, the likelihood and timeline of future taxable income cannot be reliably estimated. Refer Note 4.

Share based payments

The Company 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. For security instruments issued to consultants, consideration of the fair value of services received (if available) or fair value of the equity instruments granted as consideration is used. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. (Refer to Note 23).

(e) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Great Southern Mining Limited. The Company's activities included the exploration and evaluation of projects in North Queensland and Western Australia. The Western Australian tenements were acquired during the current financial year and hence are deemed to be a new segment.

In addition, corporate assets which are not directly attributable to the business activities of the operating segment are not allocated to a segment. In the financial periods under audit, this primarily applies to the Company's registered office and administrative duties.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(g) Income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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 reporting date.

Deferred income tax is provided on all temporary differences at the reporting 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.

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 deductible temporary difference is associated with investments in associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Other taxes

Revenues, expenses and assets are recognised net of the 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 asset 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.

(h) IMPAIRMENT OF ASSETS

The Company 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 Company 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 groups 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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 a 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.

(i) CASH AND CASH EQUIVALENTS

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(j) TRADE AND OTHER RECEIVABLES

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment for expected credit losses. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(k) FINANCIAL ASSETS

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Classification and initial measurement of 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 IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

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

In the periods presented the Company has financial assets categorised as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets

Financial assets at fair value through other comprehensive income (FVOCI)

The Group accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell; 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.

Any gains or losses recognised in other comprehensive income (OCI) will not be recycled upon derecognition of the asset.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables. The Company does not have any derivative financial instruments in any period presented.

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 FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments). All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(I) PLANT AND EQUIPMENT

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Plant and equipment – over 3 to 5 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income in a separate line item.

(ii) Derecognition and disposal

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

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 asset) is included in profit or loss in the year the asset is derecognised.

(m) TRADE AND OTHER PAYABLES

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(n) EMPLOYEE LEAVE BENEFITS

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables or in employee benefits, 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.

Other long-term employee benefits

The Company's liabilities for annual leave and long service leave are included in other long-term benefits as they are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Company presents employee benefit obligations as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period, irrespective of when the actual settlement is expected to take place.

(o) ISSUED CAPITAL

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. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(p) EARNINGS PER SHARE

Basic earnings per share is calculated as net profit/loss adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit/loss adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(q) EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation expenditure in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or

(b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(r) SHARE BASED PAYMENTS

The Company operates equity-settled share-based remuneration plans for its employees. None of the Company's plans feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to the share option reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are allocated to share capital.

(s) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

(t) GOING CONCERN

Notwithstanding the working capital deficiency of $362,555 (30 June 2018: deficiency of $82,749), the financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

During the period the Company incurred a net loss of $1,435,516 (2018: loss of $725,433). Net cash outflows from operating and investing activities during the period were $2,366,789 (2018: cash outflows of $1,222,803).

The ability of the Company to continue to pay its debts as and when they fall due is dependent upon:

- Continued cash management and monitoring of operating cashflows according to exploration success. Future exploration expenditure is generally discretionary in nature and exploration activities may be slowed or suspended as part of the Company's cash management strategy;
- The Company has historically been able to raise capital via equity placements and rights issues to shareholders. Given the strong support of shareholders and the prospectivity of the Company's current projects the directors are confident that any future capital raisings will be successful. Subsequent to reporting date the Company has also announced its intention to undertake a significant capital raising via a Prospectus.

The Company also maintains a significant number of shares available to issue under the ASX Listing Rule capacity.

The Company also has the support of the its significant shareholder and Executive Chairman John Terpu. In July 2019 an entity associated with Mr Terpu entered a loan agreement with the Company and advanced $500,000 on a short term, unsecured basis to fund working capital.

In addition, the Company announced on 30 July 2019 that it was proceeding with a Rights Issue of 1 New Option for every 3 Shares held at $0.010 per New Option to raise up to $1.01 million before costs. The funds raised will be used to fund working capital and future exploration programs.

The Rights Issue closed on the 28 August 2019 which resulted in the issue of 83,588,449 New Options raising a total of $835,884 before costs. The shortfall will be placed at the director's discretion within three months.

The directors believe that the above funding strategies will be achieved and the going concern basis is appropriate.

Should the Company be unable to obtain sufficient future funding there is a material uncertainty which may cast significant doubt as to whether the Company will be able to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

NOTE 2: LOSS BEFORE INCOME TAX EXPENSE	2019 $	2018 $
The following revenue and expense items are relevant in explaining the financial performance for the year.		
Revenue		
- Interest income – other parties	3,156	15,348
Expense		
- Administration and rental services fees	79,294	318,768
- Employee benefits expense	240,120	34,295
- Share based payment expense (Note 24)	35,000	35,000
- Non-refundable consideration paid – Cox's Find Gold Project	50,000	-

The administration services fee is paid to a related party, refer Note 17.
Of the Employee benefits expense above, $17,031 related to superannuation (2018: $2,975).

NOTE 3: AUDITOR'S REMUNERATION	2019 $	2018 $
The auditor of Great Southern Mining Limited is HLB Mann Judd.		
Amounts received or due and receivable by HLB Mann Judd for:		
Audit and review of financial reports	25,564	21,500

NOTE 4: INCOME TAX EXPENSE	2019 $	2018 $
(a) Recognised in the statement of comprehensive income		
Current income tax expense on net loss for the year	-	-
Deferred tax expense relating to the origination and reversal of temporary differences	-	-
Total income tax benefit	-	-
(b) Reconciliation between income tax expense and pre-tax profit/(loss)		
Loss before tax	(1,435,516)	(725,433)
Income tax using the domestic small business corporation tax rate of 30% (2018: 30%).	(430,655)	(217,325)
Tax effect of:		
Non-deductible expenses	14,889	2,763
Other assessable income	20,322	-
Effect of temporary differences recognised directly in equity	(51,393)	-
Unused tax losses and temporary differences not recognised as deferred tax assets	446,837	214,561
Income tax expense on pre-tax loss	-	-

NOTE 4: INCOME TAX EXPENSE (continued)	2019 $	2018 $
(c) Tax expense/(benefit) relating to items of other comprehensive income.		
Revaluation of available-for-sale investments	-	-
Disposal available-for-sale investments	-	-
Income tax applicable thereto	-	-
(d) Unrecognised deferred tax balances		
Deferred tax assets and (liabilities) calculated at 30% (2018: 30%) have not been recognised in respect of the following:		
Income tax losses	2,643,500	2,045,053
Temporary differences	(966,522)	(815,217)
	1,676,978	1,229,835
Deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets (and deferred tax liabilities relating to (i) capitalised exploration expenditure for which immediate tax write-off is available and (ii) revaluation of financial assets have not been recognised in the financial statements.) Refer Note 1(d).		

NOTE 5: (LOSS) PER SHARE	2019 Cents per share	2018 Cents per share
Basic and diluted loss per share	(0.51)	(0.35)
Weighted average number of ordinary shares used in calculation of loss per share	282,193,959	208,661,685
Loss used in calculation of basic and diluted (loss) per share	(1,435,516)	(725,433)
Given the Company is in a loss position for the year ended 30 June 2019 the options that have been issued during the period are anti-dilutive in nature and therefore do not impact the diluted earnings per share calculation.		

NOTE 6: CASH AND CASH EQUIVALENTS	2019 $	2018 $
Cash on hand and at bank	208,044	748,423
	208,044	748,423
The Company does not have any funds on short-term deposit.		

NOTE 7: OTHER ASSETS	2019 $	2018 $
Prepaid expenses	31,409	13,244

NOTE 8: OTHER RECEIVABLES – NON-CURRENT	2019 $	2018 $
Exploration tenement guarantees	12,500	10,000

NOTE 9: FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	2019 $	2018 $
Listed securities – opening balance	180,000	138,000
Fair value movement through other comprehensive income	(25,729)	42,000
Disposal of securities during the period	(154,271)	-
Total Financial Assets at period end.	-	180,000

On 1 July 2018, being the date of initial application of AASB 9 Financial Instruments, the Company has elected to designate all available-for-sale financial assets as Fair Value through Other Comprehensive In come (FVOCI).

The financial assets above were measured at fair value in the statement of financial position up until the date of sale. The fair value was determined with reference to the quoted prices (unadjusted) in active markets for identical assets (Level 1). The balance of the reserve of $67,741 included within equity was transferred to accumulated losses on disposal.

The Company has a number of financial instruments which are not measured at fair value in the statement of financial position.

The Directors consider that the carrying amounts of receivables, current payables and current liabilities are considered to be a reasonable approximation their fair values.

NOTE 10: PLANT AND EQUIPMENT	2019 $	2018 $
Plant and equipment at cost	93,925	93,236
Less: Accumulated depreciation	(79,012)	(73,718)
	14,913	19,518
Movement schedule for plant and equipment		
Opening written down value	19,518	11,546
Additions	690	13,268
Sale	-	-
Depreciation	(5,295)	(5,296)
Closing written down value	14,913	19,518

NOTE 11: EXPLORATION AND EVALUATION EXPENDITURE	2019 $	2018 $
Cost brought forward in respect of areas of interest in the exploration and evaluation stage	3,455,352	1,668,573
Expenditure incurred during the year	920,066	1,056,779
Acquisition of Mt Weld Tenement Package (a)	134,240	-
Impairment recognised for the period (e)	(146,471)	-
Acquisition of Mon Ami Gold Project (b)	-	730,000
Cost carried forward	4,363,187	3,455,352

NOTE 11: EXPLORATION AND EVALUATION EXPENDITURE (continued)	

(a) In September 2018 the Company entered into an agreement to acquire a 100% interest in a tenement package from Central Australian Rare Earths Pty Ltd (CARE), an Australian registered entity. The Company acquired the rights to licences E38/2829, E38/2442; E38/2587 and E38/2856. Consideration payable for the transaction consisted of a cash payment of $99,240 and 1,000,000 fully paid GSN shares (at an issue price of $0.035 per share), subject to voluntary escrow until 30 December 2018 (500,000 shares) and 30 June 2019 (500,000 shares). The shares were issued during the period and have been valued under AASB 2: Share Based Payments as an acquisition of assets. All shares issued have been released from escrow.

(b) The Company acquired the Mon Ami Gold Project in March 2018. The acquisition was deemed to be an asset acquisition. The consideration payable for the transaction and the relevant market values have been determined as follows:

Cash Consideration payable (c)	250,000
Value of 15 million Ordinary Shares in the Company issued as consideration (d)	480,000
Consideration payable	730,000

(c) The cash consideration is to be paid to a Company related to John Terpu (Executive Chairman). This was approved by shareholders at the General Meeting held 29 March 2018. During the year the Company paid $100,000 in cash to the Vendor. The remaining balance of $150,000 has been deferred until such time that the Company has sufficient cash reserves or undertakes a significant capital raising. In the absence of a definitive repayment date, the amount payable has been classified as a current liability. Refer Note 12.

(d) The value of the Ordinary Shares issued was determined by reference to the Fair Value of the Equity Instruments granted as consideration at the date of the shares were issued and control of the project passed to the Company.

(e) During the period the Company decided to cease further expenditure on the Black Mountain Project in North Queensland that was not considered to be a core asset the subject to future exploration activities. The amount has been impaired and is recognised in the statement of profit or loss and other comprehensive income.

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

NOTE 12: TRADE AND OTHER PAYABLES	2019 $	2018 $
Trade and other payables (a)	365,206	535,922
Related party payables (Note 17)	8,630	24,481
Deferred Consideration - Mon Ami Gold Project (b)	150,000	250,000
	523,836	810,403

(a) All trade and other payables are non-interest bearing and are normally settled on 30 – 60 day terms. All amounts are short-term. The carrying values of trade payables and other payables are considered to be a reasonable approximation of fair value.

(b) Deferred consideration is payable to an entity related to the Executive Chairman. The amount is considered to be current given there is no set repayment date. An offsetting amount has been capitalised to Exploration and Evaluation Expenditure as part of the acquisition costs of the Mon Ami Gold Project, refer to Note 11.

NOTE 13: EMPLOYEE BENEFITS	2019 $	2018 $
Current employee entitlements		
Annual Leave	47,388	8,759
Long-Service Leave	30,784	25,255
	78,172	34,014

The significant movement in the annual leave liability is based on the full year accrual for M Petricevic, who commenced in April 2018 and the increase in rate of pay to J Terpu effective 1 July 2018.

NOTE 14: ISSUED CAPITAL	2019		2018	
	No.	$	No.	$
Issued capital comprises:				
Fully Paid Ordinary Shares	303,412,338	23,611,759	245,899,003	21,750,349

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Movement in issued shares for the year	2019		2018	
	No.	$	No.	$
Balance at beginning of the financial year	245,899,003	21,750,349	179,078,187	20,169,503
Issued for cash				
- 3 August 2018	31,846,669	1,194,250	35,420,816	708,416
- 1 November 2018 - acquisition of Mt Weld Project (Note 11)	1,000,000	35,000	-	-
- 31 December 2018 - Exercise of options	1,500,000	30,000	-	-
- 11 March 2019 - Settlement of director loan	10,000,000	300,000	-	-
- 22 March 2019 - Placement	8,333,333	250,000	-	-
- 29 March 2019 - Exercise of options	1,500,000	30,000	-	-
- 30 April 2019 - Placement	3,333,333	100,000	-	-
- 5 April 2018 - Acquisition of Mon Ami Gold Project (a)	-	-	15,000,000	480,000
- 19 April 2018 - Placement	-	-	16,400,000	410,000
Costs associated with the issue of shares	-	(77,840)	-	(17,570)
Balance at end of the financial year	303,412,338	23,611,759	245,899,003	21,750,349

(a) The 15,000,000 shares issued as part of the acquisition of the Mon Ami Gold Project are subject to escrow. The amount has been capitalised as exploration and evaluation expenditure as part of the acquisition costs of the project – refer Note 11.

NOTE 15: RESERVES

Reconciliation of Movements:	Financial Asset Reserve		Share Option Reserve	
	2019 $	2018 $	2019 $	2018 $
Balance at beginning of the financial year	93,470	51,470	35,000	-
Change during the period	(93,470)	42,000	45,756	35,000
Balance at end of the financial year	-	93,470	80,756	35,000

The financial assets reserve records the revaluation financial assets at fair value through other comprehensive income. During the period the Company disposed of its financial assets. These financial assets were measured at Fair Value with movements recognised in the Reserve. On derecognition the remaining balance in the reserve has been transferred within equity to accumulated losses.

The share-based payments reserve records the value of options issued and vested during the period.

NOTE 16: STATEMENT OF CASH FLOWS	2019 $	2018 $
Reconciliation of operating loss after income tax to net cash used in operating activities		
Loss after income tax	(1,435,516)	(725,433)
Add: Non-cash items		
Depreciation - PPE	5,295	5,296
Share based Payment expense	45,756	35,000
Impairment of exploration expenditure	146,471	-
Change in assets and liabilities		
(Increase)/decrease in other current assets	(18,165)	10,608
(Increase)/decrease in other current operating receivables	-	4,100
Increase/(decrease) in operating payables	(207,735)	14,511
Increase/(decrease) in employee entitlements	44,158	25,242
Net cash used in operating activities	(1,419,735)	(630,676)

NOTE 17: RELATED PARTY DISCLOSURES

Transactions with key management personnel	2019 $	2018 $
The following comprises amounts paid or payable and received or receivable applicable to entities in which key management personnel (KMP) have an interest.		
Paid/payable to:		
J Terpu (as Director of Chellingtons Pty Ltd atf Red Star Trust) for administration services)	-	318,768
Share based payment paid to Valleybrook Investments Pty Ltd - Note 12	-	480,000
Rent and service charges paid to Ruby Lane Pty Ltd atf the Terpu Trust	79,294	-
10,000,000 Fully paid ordinary shares issued to Valleyrose Pty Ltd in satisfaction for the $300,000 loan provided to the Company in December 2018.	300,000	-
Amounts owing to related parties at balance date:		
J Terpu (as Director of Chellingtons Pty Ltd atf Red Star Trust) for administration services)	8,630	23,630
Mon Ami Acquisition - April 2018 - Refer note 12.	150,000	250,000
The totals of remuneration paid to KMP of the Company during the year are as follows:	**2019 $**	**2018 $**
Short-term employee benefits	488,155	98,140
Post-employment benefits	47,756	59,038
Share Based Payments	19,878	-
Total KMP compensation	555,789	157,178

As part of the acquisition of the Mon Ami Gold Project during 2018 the Company has entered a Royalty Deed with Valleybrook Investments Pty Ltd ("Valleybrook"), being a company related to J Terpu. The royalty entitles Valleybrook to a net smelter return of 2.75% on revenue produced from sales of ore extracted. The term of the Royalty is for the life of the mining lease on the Mon Ami Gold Project, subject to the availability of ore to be extracted. At the date of this report the Company is not in a position to reliably estimate the amount, if any, that would be paid to Valleybrook as a result of successful economic extraction of Ore from the project given its exploration stage and as such this amount has not been recognised in the accounts of the Company at balance date.

NOTE 18: COMMITMENTS AND CONTINGENT LIABILITIES

(a) Exploration Expenditure Commitments

The Company has certain obligations to perform exploration work and expend minimum amounts of money on such works on mineral exploration tenements.

These obligations will vary from time to time, subject to statutory approval and capital management. The terms of the granted licences and those subject to relinquishment will alter the expenditure commitments of the Company as will change to areas subject to licence.

(b) Native Title

Native title claims have been made with respect to areas which include tenements in which the Company has interests. The Company is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Company or its projects.

(c) Contingencies

The Company entered a Royalty Deed on the acquisition of the Mon Ami Gold Project in April 2018 (refer Note 17).

In June 2019 the Company entered a binding term sheet to acquire the Cox's Find Gold Project. The material terms of the transaction are outlined below:

REMAINING PAYMENTS UNDER THE AGREEMENT	
Deferred Payment 1	$800,000 cash payment to be made within twelve (12) months of completion of the formal sale and purchase agreement.
Deferred Payment 2	$1,000,000 cash payment if the Company declares a JORC 2012 Mineral Resource of at least 500,000 ounces of gold. The exploration work required to be undertaken to trigger Deferred Payment 2 is entirely at GSN's discretion. The timing of the payment is not yet known. Deferred Payments 1 and 2 will be secured against the Project via a registered mortgage.
Royalty	1.5% Net Smelter Return (NSR) on gold.

Also refer to further commentary in Note 21.

NOTE 19: SEGMENT INFORMATION

The Company undertakes mineral exploration and evaluation work on a number of tenements located in Western Australia and North Queensland.

Management currently identifies the Company's assets in each location as separate operating segments.

These operating segments are monitored by the Company's chief operating decision maker and strategic decisions are made on the basis of available cash reserves and exploration results.

The items included in the statement of profit or loss and other comprehensive income equate to the Corporate Segment. Segment assets and liabilities are disclosed in the table below:

NOTE 19: SEGMENT INFORMATION (continued)

	Western Australia		Queensland		Corporate		Total	
	2019 $	2018 $	2019 $	2018 $	2019 $	2018 $	2019 $	2018 $
Assets								
Exploration and Evaluation Expenditure	1,981,082	1,227,874	2,382,105	2,227,477	-	-	4,363,187	3,455,351
Cash and Cash Equivalents	-	-	-	-	208,044	748,423	208,044	748,423
Financial Instruments	-	-	-	-	-	180,000	-	180,000
Other assets	-	-	-	-	58,822	42,762	58,822	42,762
Group assets	1,834,611	1,227,874	2,528,576	2,227,477	266,866	971,186	4,630,053	4,426,537
Liabilities	220,214	724,898	224,902	-	156,892	119,519	602,008	844,416

The Company's corporate assets, consisting of its corporate office headquarters are not allocated to any exploration segment's assets.

An impairment charge of $146,471 has been recognised in 2019 in relation to the Company's Queensland exploration assets.

NOTE 20: FINANCIAL RISK MANAGEMENT

Overview

This note presents information about the Company's exposure to credit, liquidity and market risks, its objectives, policies and processes for measuring and managing risk, and the management of capital.

The Company does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. Exposure limits are reviewed by management on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Company through regular reviews of the risks.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investment securities. Given the Company is not generating sales nor has significant receivable balances apart from GST payments to be received from the ATO, at the reporting date there were no significant concentrations of credit risk.

(i) Cash and cash equivalents

The Company limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating. The Company has limited its risk to only holding bank accounts with two Australian financial institutions.

NOTE 20: FINANCIAL RISK MANAGEMENT (continued)

(ii) Trade and other receivables

As the Company operates primarily in exploration activities, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables.

The Company where necessary establishes an allowance for impairment that represents its estimate of expected losses in respect of other receivables and investments. Management does not expect any counterparty to fail to meet its obligations.

(iii) Exposure to credit risk

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

Carrying Amount	2019 $	2018 $
Cash and cash equivalents	208,044	748,423
Other receivables	12,500	10,000

(iv) Impairment Losses

None of the Company's other receivables are past due (2018: nil).

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows. The Company does not have any external borrowings.

The following are the Company's contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

30 June 2019 ($)	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years
Non-interest bearing	523,836	523,836	523,836	-	-	-
30 June 2018 ($)	**Carrying amount**	**Contractual cash flows**	**6 mths or less**	**6-12 mths**	**1-2 years**	**2-5 years**
Non-interest bearing	810,403	810,403	534,921	274,482	-	-

For additional commentary refer to the Going Concern note at 1(t).

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company no longer holds investments in listed securities.

Currency Risk

The Company is not exposed to currency risk and at the reporting date the Company holds no financial assets or liabilities which are exposed to foreign currency risk.

NOTE 20: FINANCIAL RISK MANAGEMENT (continued)

Commodity Price Risk

The Company operates primarily in the exploration and evaluation phase of gold projects and accordingly the Company's financial assets and liabilities are subject to minimal commodity price risk.

Interest Rate Risk

The Company is exposed to interest rate risk (primarily on its cash and cash equivalents), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Company does not use derivatives to mitigate these exposures.

At balance date the Company did not have any cash held in term deposits. During the prior period, excess cash and cash equivalents were held in short term deposit at interest rates maturing over 90 day rolling periods.

(i) Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss or through equity, therefore a change in interest rates at the reporting date would not affect profit or loss or equity.

(ii) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2019 and 2018.

	Profit or loss		Equity	
	100bp increase $	100bp decrease $	100bp increase $	100bp decrease $
30 June 2019 Variable rate instruments	1,978	(1,978)	1,978	(1,978)
30 June 2018 Variable rate instruments	7,384	(7,384)	7,384	(7,384)

Fair Values

(i) Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

	30 June 2019		30 June 2018	
	Carrying amount $	Fair value $	Carrying amount $	Fair value $
Cash and cash equivalents	208,044	208,044	748,423	748,423
Other receivables	12,500	12,500	10,000	10,000
Listed securities	-	-	180,000	180,000
Trade and other payables	(523,837)	(523,837)	(810,403)	(810,403)
Employee benefits	(78,172)	(78,172)	(34,014)	(34,014)
	(381,464)	(381,464)	94,007	94,007

NOTE 20: FINANCIAL RISK MANAGEMENT (continued)

(ii) Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liability.
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- **Level 3:** unobservable inputs for the asset or liability.

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 June 2019 and 30 June 2018:

30 June 2019 Financial assets	Level 1 $	Level 2 $	Level 3 $	Total $
Listed securities	-	-	-	-
Net Fair Value	-	-	-	-
30 June 2018 Financial assets	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Listed securities	180,000	-	-	180,000
Net Fair Value	180,000	-	-	180,000

The Company performs valuations of financial items for financial reporting purposes. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. Valuation processes and fair value changes are discussed regularly at Board meetings.

Fair value of investment's at FVOCI is subject to movements in the share price. A summary of a movement in the share price of the listed investment is below:

	Profit or loss		Equity	
30 June 2019	200bp increase $	200bp decrease $	200bp increase $	200bp decrease $
Listed securities and debentures	-	-	-	-
30 June 2018	**200bp increase $**	**200bp decrease $**	**200bp increase $**	**200bp decrease $**
Listed securities and debentures	36,000	(36,000)	36,000	(36,000)

Capital Management

Capital is defined as the equity of the Company.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. Refer to Note 1(t) for additional commentary.

The Company's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities. The Company monitors capital requirements regularly and there are no external borrowings as at reporting date and is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year. The Board considers capital management at each Board meeting and mitigates risks when identified.

NOTE 21: EVENTS AFTER REPORTING DATE

As announced by the Company on 5 June 2019, the Company entered into an agreement with a third party for the purchase of the Cox's Find Project Under the terms of the Agreement, the Company must:

- Following a four week due diligence period, pay a non-refundable cash deposit of $50,000 (Deposit) to the vendor, which has now been paid by the Company.
- Pay a non-refundable cash payment of $150,000 to the vendor following completion of an additional period of 8 weeks from the payment of the Deposit and on both parties entering a formal agreement (Completion Payment).
- Pay an amount of $800,000 to the vendor within 12 months from the date of completion of the transaction (Deferred Payment 1).
- Pay an amount of $1,000,000, or issue shares to the value of $1,000,000, to the vendor on declaration of a mineral resource of 500,000 ounces of gold on the Tenements (Deferred Payment 2);
- Pay a 1.5% net smelter return royalty (NSR) on all gold extracted and recovered from the Tenements including from any stockpiles currently on the mining tenements.

On 26 August 2019, the Company concluded its due diligence procedures on the Cox's Find Gold Project and the Directors resolved to proceed with the transaction. The Completion Payment ($150,000) was funded via the short-term loan funds provided to the Company on 30 July 2019. Deferred Payment 1 and 2 have been recognised as Contingent Liabilities in Note 18 in the Financial Statements.

On 18 July 2019, recognising the prospective nature of the Palmer River and with the view to acquiring additional exploration tenure at low cost the Company lodged 2 applications for Mt Bennett and Eagle Mountain Projects. The Project areas were not previously pegged and the area has been subject to little historical exploration. The Directors are not aware of any reason that would result in the applications not being granted to the Company.

On 30 July 2019 the Company announced its intention to undertake a significant capital raising via a non-renounceable pro-rata Rights Issue. On 5 August 2019 a Prospectus was released for a non-renounceable pro rata entitlement issue to Shareholders of one (1) New Option for every three (3) Shares held by Eligible Shareholders registered at the Record Date at an issue price of $0.010 per New Option to raise up to approximately $1,011,374 before costs. The New Options are exercisable at $0.05 per New Option on or before three (3) years from issue date. The Rights Issue closed on the 28 August 2019 which resulted in the issue of 83,588,449 New Options raising a total of $835,884 before costs. The shortfall will be placed at the director's discretion within three months.

On 30 July 2019 the Company entered a short-term loan agreement for $500,000 with a director related entity. The loan is unsecured and on commercial terms.

Apart from the above, there has not been any other matter or circumstance that has arisen after the reporting date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

NOTE 22: LEASES

Operating leases as lessee

The Company has entered a lease agreement to lease an office building. The lease has been assessed to be an operating lease. The future minimum lease payments are as follows:

	Minimum lease payments due			
	Within 1 year $	1-5 years $	After 5 years $	Total $
30-Jun-19	70,104	182,612	-	252,716
30-Jun-18	66,924	247,929	-	314,853

The rental contract has a remaining non-cancellable term of 2 years.
The lease charges are payable to a related party – refer note 17.

NOTE 23: SHARE BASED PAYMENTS

During the period, options were issued to employees and consultants in line with the approved long-term incentive plan.

Share options and weighted average exercise prices are as follows for the reporting periods presented:

	Weighted average exercise price ($)	Option Fair Value $
Outstanding at 30 June 2018	11,800,000	35,000
Granted	3,300,000	45,756
Exercised	(3,000,000)	-
Outstanding and exercisable at 30 June 2019	12,100,000	80,756

1,500,000 options were exercised at an exercise price of $0.02 on 31 December 2018. A further 1,500,000 options were exercised at $0.02 on 29 March 2019.

The fair market value of options granted during the period of $45,756 has been included in the statement of profit or loss and other comprehensive income.

The fair value of options granted were determined using the Black-Scholes option pricing model. There was no performance based, nor vesting conditions attached to the Options.

The following principal assumptions were used in the valuation:

Valuation assumptions		
Grant date		01-Nov-18
Share price at date of grant	$	0.035
Volatility		86%
Expiry date		31-Dec-19
Dividend yield		0
Risk free investment rate		1.50%
Fair value at grant date	$	0.014
Exercise price at date of grant	$	0.020
Exercisable from		01-Nov-18
Weighted average remaining contractual life		1 yr

The underlying expected volatility was determined by reference to historical data of the Company's shares over a period of time. No special features inherent to the options granted were incorporated into measurement of fair value.

The underlying expected volatility was determined by reference to historical data of the Company's shares over a period of time. No special features inherent to the options granted were incorporated into measurement of fair value.

1. In the opinion of the Directors of Great Southern Mining Limited (the "Company"):

   (a) the accompanying financial statements and notes of the Company are in accordance with the Corporations Act 2001 including:

      (i) giving a true and fair view of the Company's financial position at 30 June 2019 and of its performance for the year then ended; and

      (ii) complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

   (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 statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. 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 June 2019.

This declaration is signed in accordance with a resolution of the Board of Directors.

John Terpu

John Terpu
Executive Chairman
Perth WA

13 September 2019

INDEPENDENT AUDITOR'S REPORT
To the members of Great Southern Mining Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Great Southern Mining Limited ("the Company") which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

Material uncertainty related to going concern

We draw attention to Note 1(t) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion 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. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
Carrying value of exploration and evaluation expenditure (Note 11)	
The Company has capitalised exploration and evaluation expenditure of $4,363,187 as at 30 June 2019. Our audit procedures determined that the carrying value of exploration and evaluation expenditure was a key audit matter as it was an area which required the most audit effort, required the most communication with those charged with governance and was determined to be of key importance to the users of the financial statements.	Our procedures included but were not limited to the following: - We obtained an understanding of the key processes associated with management's review of the carrying value of exploration and evaluation expenditure; - We considered the Directors' assessment of potential indicators of impairment; - We obtained evidence that the Company has current rights to tenure of its areas of interest; - We substantiated a sample of additions to exploration expenditure during the year; - We enquired with management and reviewed ASX announcements and minutes of Directors' meetings to ensure that the Company had not decided to discontinue exploration and evaluation at its areas of interest; and - We examined the disclosures made in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 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 conclusion thereon.

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

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

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view 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 have 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the remuneration report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Great Southern Mining Limited for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

M R Ohm
Partner

Perth, Western Australia
13 September 2019

ASX Additional Information

Additional information as required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

1. Shareholder Information – all information is as at 3 September 2019

1.1 The Company had 297 holders of Ordinary Fully Paid Shares, 2 holders of Unlisted Options and 100 holders of Listed Options (issued as part of the Pro-Rate non renounceable Rights Issue completed 28 August 2019).

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes (at present there are none) at general meetings of shareholders or classes of shareholders:

(a) each shareholder entitled to vote, may vote in person or by proxy, attorney or representative;

(b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and

(c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each Fully Paid Share held, or in respect of which he/she has appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid Shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the Share.

There are no voting rights attached to the listed and unlisted options.

1.2 Distribution of Securities

Holding Between	Fully Paid Shares		Unlisted Options		Listed Options	
	No. Shares	No. Holders	No. Unlisted Options	No. Holders	No. Listed Options	No. Holders
1-1,000	1,711	14	0	0	2,582	9
1,001-5,000	23,520	7	0	0	24,407	7
5,001-10,000	515,442	52	0	0	89,522	12
10,001-100,000	5,661,326	126	0	0	1,590,466	33
100,001-over	297,210,339	98	12,100,000	2	81,881,472	39
Total	**303,412,338**	**297**	**12,100,000**	**2**	**83,588,449**	**100**

The number of shareholders holding less than a marketable parcel is 26 totalling 33,931 shares based on the closing market price at 3 September 2019.

There are no securities on issue subject to escrow.

1.3 Substantial Holders

The following holders of securities are recorded as substantial holders of securities:

Name	Fully Paid Shares		Listed Options	
	Number	%	Number	%
VALLEYBROOK INVESTMENTS PTY LTD <TERPU A/C> & OTHERS	117,309,351	39	39,103,118	47
PTY LTD <TERPU A/C> & OTHERS				
DANNY TAK TIM CHAN & OTHERS	62,756,323	20.70	19,668,775	24
BNP PARIBAS NOMS PTY LTD	15,454,188	5	*	*
Total	195,519,862			

* Shareholder is not a substantial holder of Listed Options.

1.4 Twenty Largest Holders of Listed Shares and Listed Options

Rank	Name	Shares	% Holding	Rank	Name	Listed Options	% Holding
1	VALLEYROSE PTY LTD	74,601,536	25%	1	VALLEYROSE PTY LTD	24,867,179	30%
2	DANNY TAK TIM CHAN	59,006,323	19%	2	DANNY TAK TIM CHAN	19,668,775	24%
3	VALLEYBROOK INVESTMENTS PTY LTD	42,707,815	14%	3	VALLEYBROOK INVESTMENTS PTY LTD	14,235,939	17%
4	BNP PARIBAS NOMS PTY LTD	15,454,188	5%	4	ANYSHA PTY LTD	4,166,702	5%
5	BNP PARIBAS NOMS PTY LTD	13,947,635	5%	5	BNP PARIBAS NOMS PTY LTD	1,649,211	2%
6	ANYSHA PTY LTD	12,500,105	4%	6	GETMEOUTOFHERE PTY LTD	1,519,825	2%
7	BNP PARIBAS NOMINEES PTY LTD	7,179,221	2%	7	NAUTICAL HOLDINGS WA PTY LTD	1,515,830	2%
8	GETMEOUTOFHERE PTY LTD	4,559,474	2%	8	MR ADAM ANDREW MACDOUGALL	1,375,000	2%
9	NAUTICAL HOLDINGS WA PTY LTD	4,547,488	1%	9	SUNSET CAPITAL MANAGEMENT PTY LTD	1,333,334	2%
10	MR MARK BARNABA	4,375,000	1%	10	MR CONNOR MARK ROBINSON	1,005,130	1%
11	MR ADAM ANDREW MACDOUGALL	4,125,000	1%	11	KIWI BATTLER PTY LTD	817,363	1%
12	SUNSET CAPITAL MANAGEMENT PTY LTD	4,000,000	1%	12	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	806,666	1%
13	MR CONNOR MARK ROBINSON	2,965,388	1%	13	BNP PARIBAS NOMS PTY LTD	793,127	1%
14	KIWI BATTLER PTY LTD	2,452,089	1%	14	KAY BAY SUPER PTY LTD	666,667	1%
15	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,420,000	1%	15	MR YULIANG FAN	600,000	1%
16	MRS CARMELA FIRRIOLO	2,212,500	1%	16	ORBIT DRILLING PTY LTD	590,076	1%
17	KAY BAY SUPER PTY LTD	2,000,000	1%	17	NOVENTUM GROUP PTY LTD	500,000	1%
18	MR YULIANG FAN	1,800,000	1%	17	RED TWIN HOLDINGS PTY LTD	500,000	1%
19	ORBIT DRILLING PTY LTD	1,770,226	1%	18	PLEASANT BANKS (WA) PTY LTD	462,758	1%
20	PLEASANT BANKS (WA) PTY LTD	1,700,000	1%	19	ADMARK INVESTMENTS PTY LTD	415,360	0%
				20	KATHLEEN BOZANIC	400,000	0%
				20	ANDREW JAMES PAUL CARUSO	400,000	0%

1.6 Share Buy-Backs

There is no current on-market buy-back scheme.

ASX Additional Information

1.7 Securities Purchased On-market

On 29 June 2018 the Shareholders of the Company approved the Long-Term Incentive Plan (LTIP) to be adopted.

Details of ordinary shares issued by the company during or since the end of the financial year as a result of the exercise of an option are:

> 3,300,000 unlisted options issued on 16 November 2018 under the Company's long-term incentive plan. No options have been issued to Directors of the Company during the period. 1,500,000 options were exercised at an exercise price of $0.02 on 31 December 2018. A further 1,500,000 options were exercised at $0.02 on 29 March 2019.

Unlisted Options

At the date of this report unissued ordinary shares of the Company under option are:

Date options granted	Expiry date	Exercise price of shares ($)	Number under option
14-May-18	31-Dec-19	$0.02	11,800,000
16-Nov-18	31-Dec-19	$0.02	300,000

The 11.8 million options are held by Mr Mark Barnaba.

2. Other Information

Great Southern Mining Limited, incorporated and domiciled in Australia, is a public listed Company limited by Shares.

3. Tenement Schedule

Tenement	% Interest	Grant date	Expiry date	Location
Western Australia				
M38/1256	100%	03-09-12	02-09-33	Mon Ami
E38/2829	100%	23-12-13	22-12-23	Mon Ami
M38/170	100%	10-10-88	09-10-30	Cox's Find *
M38/578	100%	04-08-04	03-08-25	Cox's Find *
M38/740	100%	24-07-08	23-07-29	Cox's Find *
E38/2442	100%	17-02-11	16-02-21	Mt Weld
E38/2856	100%	23-02-15	22-02-20	Mt Weld
E38/2587	100%	15-10-14	14-10-19	Mt Weld
E38/3362	100%	03-07-19	02-07-24	East Laverton
E38/3363	100%	Pending grant		East Laverton
E38/3364	100%	Pending grant		East Laverton
Queensland				
EPM 18986	100%	13-12-12	12-12-22	Johnnycake
EPM 25196	100%	03-03-14	02-03-20	McArea
EPM 25755	100%	08-04-15	07-04-20	Black Mountain
EPM 2652	100%	23-08-17	22-08-22	Johnnycake North
EPM 26810	100%	17-07-18	16-07-23	Beaks Mountain
EPM 27130	100%	Pending grant		Reedy Range
EPM 27131	100%	Pending grant		Strathalbyn
EPM 27291	100%	Pending grant		Mt Bennett *
EPM 27305	100%	Pending grant		Eagle Mountain *

* In July 2019 the Company lodged 2 applications for Mt Bennett and Eagle Mountain Projects. The tenements are under application. The Directors are not aware of any reason that would result in the applications not being granted to the Company. On 26 August 2019, the Company concluded its due diligence procedures and proceeded with the transaction to acquire the Cox's Find Gold Project. The acquisition will result in the Company acquiring 100% interest in M38/170, M38/578 and M38/740.

4. Other Additional Information

Corporate Governance:
The Company's Corporate Governance Statement for 30 June 2019 as approved by the Board can be viewed as www.gsml.com.au

Company Secretary:
The name of the Company Secretary is Mark Petricevic.

Address and telephone details of the Company's Registered Office:
Suite 4, 213 Balcatta Rd
Balcatta WA 6021
T: 08 9240 4111

Share Register:
Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Telephone: (within Australia): 1300 554 474
Telephone: (outside Australia): +61 (02) 8280 7761
Facsimile: (02) 9287 0303

Review of Operations:
A review of operations is contained in the Directors Report.

ABN 37 148 168 825
Great Southern Mining Limited