

AKORA
Resources Limited



Annual Report 2020

For the year ending 31 December 2020





High grade lump iron outcropping
along strike at Bekisopa.

Inside this report



Joint Chairman and Managing Director Letter	2
Review of Activities	4
Directors' Report	8
Prospectus use of funds	12
Remuneration Report	14
Auditor's Independence Declaration	19
Financial Statements	20
Consolidated statement of profit or loss and other comprehensive income	21
Consolidated statement of financial position	22
Consolidated statement of changes in equity	23
Consolidated statement of cash flows	25
Notes to the financial statements	26
Directors' Declaration	50
Independent Auditor's Report	51
ASX Additional Information	56
Corporate Directory	60

Joint Chairman and Managing Director Letter



Dear Shareholders

We are pleased to present the 2020 Annual Report and the first annual report following listing of AKORA Resources Limited (ASX:AKO) on the Australian Securities Exchange.

2020 has been a year of significant change and progress.

In February 2020 plans were well progressed to commence the first limited drilling program at our main project, Bekisopa. Unfortunately, and understandably, our plans were quickly halted due to COVID-19 restrictions being imposed across Madagascar and the world. In mid-March 2020 Madagascar imposed restrictions on international arrivals and implemented a domestic lockdown phase, which certainly contained the impact of the COVID-19 virus in the country. Domestic travel restrictions were lifted in August with road travel across Madagascar allowed, with a readily obtainable work travel permit and a negative COVID-19 test result.

In May 2020 it was decided that the best way forward to achieve the Company and shareholder objectives, was to list on the ASX in our own right. Over June and July, we engaged Dentons as our lawyers, Harbury Advisors as Corporate Advisor and with our auditors, Bentleys, commenced the major process of becoming listed on the ASX. Corporately, the company undertook a search for an Independent Chairman, and I was extremely pleased to be appointed and have enjoyed working with your fellow board members to achieve the listing of the Company and progress exploration plans at our Bekisopa project.

Compiling the documentation required to produce the listing prospectus confirmed that the Company was well placed and prepared for the transition to a listed company. Having decided on a name change commensurate with the company's new status, AKORA Resources Limited completed its successful listing on 15 December 2020 with the Initial Public Offer (IPO) fund raising being significantly oversubscribed. The investor response to the Company's projects and strategy was extremely well received, resulting in a solid share price performance since listing.

We are grateful for the support of our patient long-term shareholders and our new investors. It is also pleasing to have a significant new institutional investor join the register in Mackenzie Investments, Canadian-based a long-term global resource investment fund.

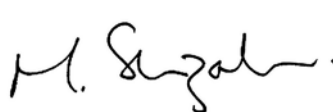
The first phase of drilling at Bekisopa was completed and confirmed the continuation of iron mineralisation at depth. In total, 12 holes for 1,095 metres were drilled, versus a plan of 7 holes for 700 metres, with 11 of the 12 holes intersecting mineralisation. The initial observations from the drilling show layers of massive magnetite mineralisation adjacent to coarse disseminated iron mineralisation in the country rock. Sample preparation for analysis and Davis Tube Testing was completed by late February and samples were sent to laboratories in Australia and Ireland with the first chemical analysis results expected by the end of March 2021.

Presently, the next drilling programme of some 3,000 metres is being planned with mobilisation in April, following the end of the wet season. The goal of this drilling campaign is to deliver a JORC compliant resource, which the Company anticipates will be announced by the end of 2021.

At 31 December 2020, AKORA had A\$4.8 million in cash, which places the company in a strong position to complete its work programmes over 2021.

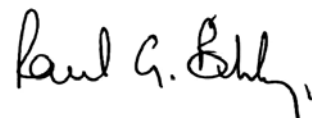
We are entering the 2021 exploration field season as a reinvigorated, listed company, with appropriate funding to advance the Company's projects, focusing initially on Bekisopa.

Yours sincerely



MH Storzaker

Non-executive Chairman



PG Bibby

Managing Director



Review of Activities



Notwithstanding the impact of COVID-19, the Company completed a Phase I drilling campaign.

BEKISOPA PROJECT EXPLORATION PROGRAMME

The focus of the first phase of drilling activities at Bekisopa was to confirm the extent of high-grade iron mineralisation (see ASX Announcement dated 17 December 2020, which includes detailed Table 1 and 2 as required by the JORC Code). The drilling campaign was completed in December 2020 with no safety, social or environmental incidents. The Company consulted all stakeholders within the project area before commencing the drilling campaign and has agreed with community leaders on work programmes to assist local villages during the proposed 2021 drilling campaign.

The Company completed a total of 1,095.5 metres across 12 diamond drill-holes (DDHs, Table 1 and Figure 1) compared to the initial plan for 7 drill holes for 700 metres. The drilling program comprised one vertical drillhole and eleven angled drillholes, Table 1. All except one intersected iron mineralisation. The last angled drillhole, BEKD12, was added to confirm the geological interpretation of a syncline (a folded mineralised band that is closed off at the bottom) which, after the core logging showed no iron mineralisation, and is now interpreted to be closed off shallower than previously expected.

Drilling from the first campaign is completed and all drill core was transferred to the capital city, Antananarivo, where sample preparation was undertaken. With sample preparation now completed, the samples have been sent to laboratories in Australia and Ireland for chemical analysis and Davis Tube evaluations. These laboratory results are expected by the end of the first quarter of 2021.

Table 1: First phase drill holes

DRILLHOLE ID	EASTING (WGS84 Z38S)	NORTHING (WGS84 Z38S)	ELEV. (M)	AZIMUTH (DEGREES)	DECLINATION (DEGREES)	TOTAL DEPTH (M)	CORE RECOVERY (%)
BEKD01	586,079.14	7,612,149.63	881.57	000	-90	80.54	93
BEKD02	586,159.72	7,611,698.80	878.75	090	-60	80.48	98
BEKD03	586,348.61	7,610,999.93	872.47	090	-60	100.47	99
BEKD04	586,448.83	7,610,800.20	869.83	090	-60	100.49	98
BEKD05	586,368.86	7,610,799.03	862.45	090	-60	100.45	98
BEKD06	586,549.33	7,610,800.69	871.29	090	-60	60.40	97
BEKD07	586,722.86	7,609,300.53	842.30	090	-60	70.50	97
BEKD08	586,822.68	7,609,300.47	853.71	090	-60	100.44	98
BEKD09	586,749.33	7,608,150.00		090	-60	100.46	99
BEKD10	586,798.55	7,608,149.51		090	-60	100.43	97
BEKD11	586,848.77	7,608,150.06		090	-60	100.44	98
BEKD12	586,898.98	7,607,599.67		090	-60	100.42	97
Total						1095.52	97

Logging, marking up and photographing of core was completed in the field and an initial geological interpretation has been developed based on the preliminary field logging. It should be noted that detailed logs are still being compiled and the current interpretation may change somewhat when that work has been completed and correlated to the analytical results. The drilling program has been successful in confirming that massive iron mineralisation continues at depth beneath the outcropping high-grade iron mineralisation, as previously interpreted from the October 2019 geological and magnetic survey work. This is clearly shown on the selected interpreted drill sections (Figures 1 to 3).

Figure 1: Interpreted cross-section through BEKD01; 7,612,150N – (Historical BRGM channel sample assays from trenching shown in red)

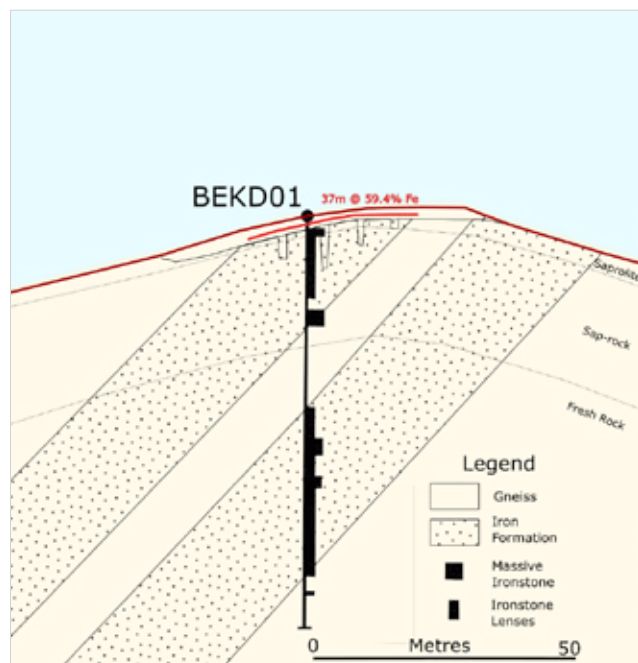


Figure 2: Interpreted cross-section Through BEKD03; 7,611,000N – (Historical BRGM channel sample assays from trenching shown in red and green)

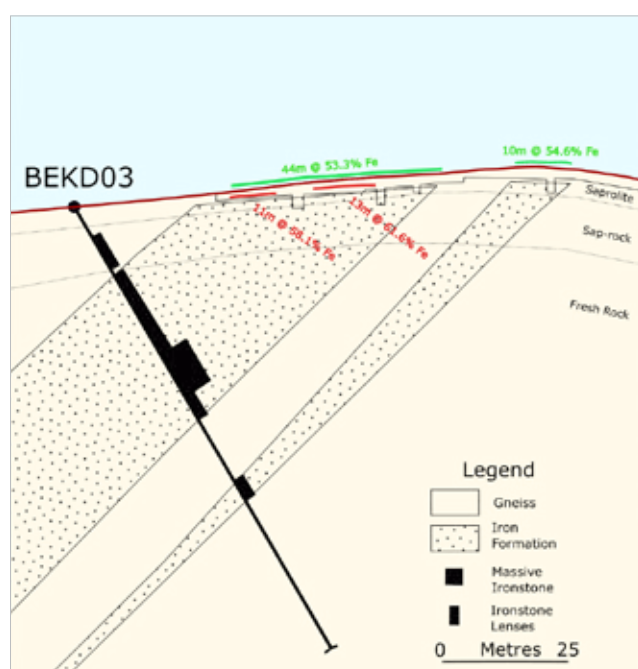
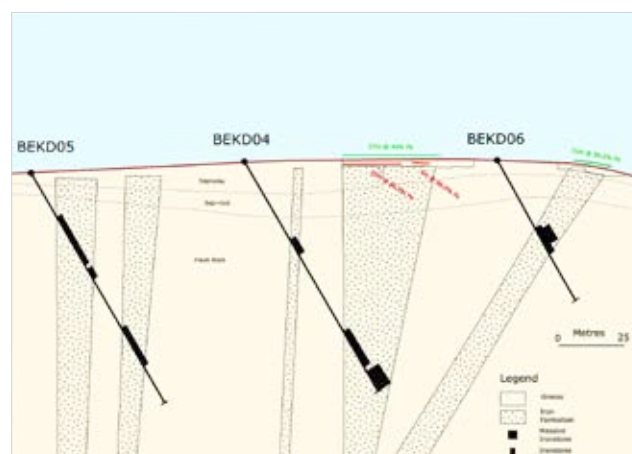


Figure 3: Interpreted cross-section through BEKD09 to BEKD11; 7,608,150N – (Historical BRGM vertical channel sample assays from pitting shown in red)



This first phase drilling programme has further developed the geological model for the Bekisopa project, with the preliminary logging and interpretation showing one or more wide layers of iron mineralisation in all areas drilled, except the southernmost hole.

Thickness of these layers appears to vary between 50 metres and 100 metres for the combined mineralisation zone. These bands consist of layers of massive magnetite of up to 10 metres true thickness within a broader zone of “disseminated” coarse magnetite aggregates in the form of lenses, layers and pods (generally in the centimetre rather than millimetre size range) within calc-silicate and gneiss country rock. It is unusual to see coarse magnetite aggregates in this form and it is possible that these may separate at a relatively coarse grind, several millimetres to over one centimetre, and that product lump size fractions (6 to 32mm) may be able to be produced prior to this finer crush to separate the remaining magnetite, refer to the drill core photos (Figures 4 to 6).

Figure 4: BEKD01 49.5m – Close-up of pods of massive magnetite (Black mineral, examples shown with yellow arrows) in calc-silicate host rock (white and green minerals)

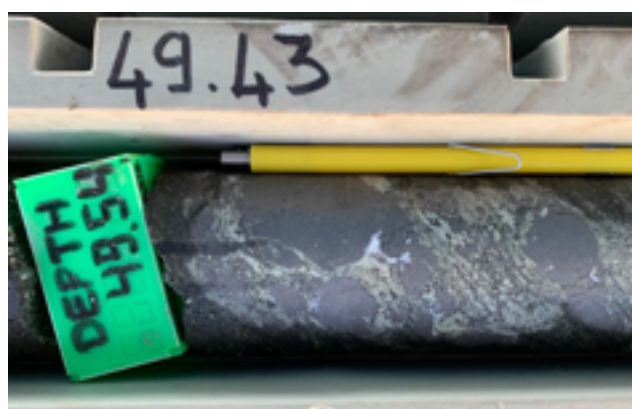


Figure 5: BEKD01 52.5m – Massive magnetite (black) with narrow layers of calc-silicate host rock (white and green)

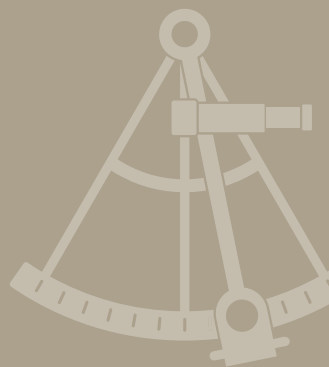


The iron mineralisation grades and lump and fines sizing's remain to be proven and as well as the standard samples for analysis there will also be a coarse product (1cm crush size) collected during laboratory sampling for Davis Tube test work to test this concept of coarser high-grade iron mineralization particles/lumps, along with the normal samples for standard XRF analysis. These analytical results will be used in defining the next phase of drilling which the Company plans to commence in April 2021.

In summary, this initial drilling program has largely confirmed the pre-drilling interpretation of layers of massive iron mineralisation extending at depth and encouragingly, it appears that coarser magnetite aggregates than previously expected are present in the halo of country rock.

Figure 6: BEKD09 – Massive iron mineralisation from 42.8m to 48.0m within a zone of more lenticular magnetite mineralisation, start and end shown within the yellow arrows.





Directors' Report

The directors present their report, together with the financial statements of AKORA Resources Limited (formerly Indian Pacific Resources Limited) (ACN 139 847 555) (hereafter referred to as the "Company"), for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year were exploration for iron ore in Madagascar. There was no significant change in the nature of these activities during the year.

OPERATING RESULTS, REVIEW OF OPERATIONS FOR THE YEAR AND SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The net loss after tax attributable to shareholders of AKORA Resources Limited of \$1,456,540 was the year ended 31 December 2020 (the net loss after tax for the previous financial year was A\$945,983). The net loss after tax for the financial year included unrealised exchange losses on holding US dollar cash balances of \$134,662 and non-recurring listing costs of \$462,235.

The listing of the Company on the ASX resulted in a significant change in the Company's state of affairs during the financial year as the Company now had capacity to raise funds to advance its exploration and projects from equity markets rather than private placements. To undertake the listing, the Company consolidated its shares on a 11:1 basis to satisfy the requirements of Chapter 1 and 2 of the Listing Rules.

DIVIDENDS

No dividends were declared or paid during the year.

EVENTS AFTER BALANCE DATE

Following the end of the financial year a number of subscribers to the IPO have exercised their options over ordinary shares. As shareholders are aware, the Company listed on the ASX raising \$5,000,000 where the Company offered subscribers one option for every two shares subscribed. In total, the Company issued 20,000,000 ordinary shares at 25 cents per ordinary share and 10,000,000 options over ordinary shares exercisable at 30 cents with an expiry date of 2 years from the date of issue.

As at the date of this report, 964,704 options have been exercised by subscribers to the IPO with 525,704 exercised since balance date. In total, the Company has received \$289,411 in funds from the exercise of options with \$157,711 received since balance date.

ENVIRONMENTAL ISSUES

The Company's projects are subject to the laws and regulations regarding environmental matters in Madagascar. Many of the activities and operations of the Company cannot be carried out without prior approval from and compliance with all relevant authorities. The Company conducts its activities in an environmentally responsible manner and in accordance with all applicable laws. However, the Company could be subject to liability due to risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances. The Company is not aware of liability arising from its drilling campaigns in Madagascar as at the date of this report.

INFORMATION ON DIRECTORS

The following persons were the directors in office during the period 1 January 2020 to 31 December 2020 and since year-end unless otherwise stated:

MH Stirzaker	Independent Non-executive Chairman
Qualifications	BCom, CA
Experience	<p>Mr Stirzaker was appointed to the board of directors on 22 August 2020.</p> <p>Mr Stirzaker has over 30 years' commercial experience, mainly in mining finance and mining investment. Mr Stirzaker began his career in Sydney as a Chartered Accountant with KMPG before moving into investment banking with HSBC Group and then Kleinwort Benson in London.</p> <p>From 1993 to 2007, Mr Stirzaker was part of the natural resource advisory and investment firm, RFC Group, where he became Joint Managing Director.</p> <p>From 2010 until 2019, Mr Stirzaker was a partner with the private equity mining fund manager, Pacific Road Capital.</p>
Interest in shares and options	100,000 ordinary shares and 50,000 options over ordinary shares in the Company.
Directorships held in other listed entities in last 3 years	Base Resources Ltd since 19 November 2014 ; Firestone Diamonds plc since 22 July 2019 and Prodigy Gold since 1 December 2018.
PG Bibby	Chief Executive Officer and Managing Director
Qualifications	Dip App Sc (Secondary Metallurgy), B App Sc (Metallurgy)
Experience	<p>Mr Bibby was appointed to the board of directors on 9 July 2015 and appointed CEO/ Managing Director on 1 January 2020.</p> <p>Mr Bibby is a metallurgist with over 35 years' experience in both mining and metals industries. Mr Bibby worked for 23 years with Rio Tinto Limited (formerly CRA Limited) in various operational, technological and business development roles.</p> <p>With Rio Tinto, Mr Bibby held various operational roles at Rio Tinto Aluminium (formerly Comalco), Kaltim Prima Coal and Rio Tinto Iron Ore (Hamersley Iron). At Rio Tinto Iron Ore, Mr Bibby was manager of metallurgy at both Dampier and Paraburdoo.</p> <p>Mr Bibby joined Zinifex Limited in 2004 as General Manager-Technology and then played a leading role in the merging of Umicore and Zinifex smelting businesses to form Nyrstar and became Chief Development Officer based in London.</p> <p>On returning to Australia, Mr Bibby was appointed Chief Executive Officer of OceanaGold Corporation and following OceanaGold, Mr Bibby performed various consulting roles.</p>
Interest in shares and options	1,489,759 ordinary shares directly and 185,682 ordinary shares indirectly and 50,000 options over ordinary shares in the Company. These figures exclude the holding of Ms JA Bibby the daughter of Mr PG Bibby, who holds 489,759 ordinary shares and 50,000 options over ordinary shares.
Directorships held in other listed entities in last 3 years	No other directorships in the past three years.

SL Fabian	Independent non-executive director
Qualifications	BE (Mining), member of AusIMM, Graduate FINSIA
Experience	<p>Mr Fabian was appointed to the board of directors on 7 January 2017.</p> <p>Following an initial career in open pit and underground mines as a mining engineer, Mr Fabian joined Bankers trust as a Resource Analyst/Portfolio Manager. Mr Fabian moved to NatWest Securities and later transferred to London with NatWest where he led the Australian mining resources team responsible for research and financing mining developments in emerging markets.</p> <p>Mr Fabian formed Rock Capital Partners Limited in 1996 to specialize in resource venture capital, providing advice and financing.</p> <p>Mr Fabian has also provided consulting advice to Genus Capital Fund, the predecessor to the Baker Steel Resources Trust which raised over GBP 100 million when listed on the London Stock Exchange.</p> <p>Mr Fabian is the principal for several unlisted entities in Europe and South America.</p>
Interest in shares and options	893,636 ordinary shares in the Company.
Directorships held in other listed entities in last 3 years	No other directorships in the past three years.
JM Madden	Executive Director and Company Secretary
Qualifications	BCom (Melb) FCPA FGIA
Experience	<p>Mr Madden was appointed to the board of directors on 6 October 2009 and is the founder of the Company.</p> <p>Mr Madden has over 30 years' experience in the mining industry. Mr Madden joined Rio Tinto (formerly CRA Limited) from the University of Melbourne in 1981 and held several corporate positions including accounting, planning, business analysis, strategy and acquisition and taxation. Between 1996 and 2000, Mr Madden was Manager-Finance for the Rio Tinto/Freeport Joint Venture in West Papua.</p> <p>From 2001 to 2003, Mr Madden was General Manager-Commercial Morobe Consolidated Goldfields Limited (Morobe controlled the Hidden Valley and Wafi projects) in Papua New Guinea.</p> <p>On his return to Australia, Mr Madden was General Manager-Commercial, Indophil Resources NL where he was responsible for all accounting, business analysis, corporate secretarial, legal and taxation functions in Australia and the Philippines.</p> <p>Since 2007, Mr Madden has provided consulting services to various mining projects in Africa, Asia and Australia for entities such as Australian Premium Iron Ore JV, Intrepid Mines Limited, Mesa Minerals Limited and Ok Tedi Mining Limited.</p> <p>Mr Madden negotiated the acquisition of the exploration projects held by the Company and managed the Company since its incorporation.</p>
Interest in shares and options	662,344 ordinary shares directly and 514,682 ordinary shares indirectly in the Company
Directorships held in other listed entities in last 3 years	No other directorships in the past three years.

MEETINGS OF DIRECTORS

During the financial year, the board of directors held 11 meetings (including committee meetings of directors) with the remainder of meetings conducted by way of written resolution. Attendances by each director during the year were as follows:

DIRECTORS	COMMITTEE MEETINGS					
	DIRECTORS MEETINGS		AUDIT AND RISK MANAGEMENT COMMITTEE		REMUNERATION COMMITTEE MEETINGS	
	NO.	ATTENDED	NO.	ATTENDED	NO.	ATTENDED
MH. Stirzaker	2	2	1	1	1	1
PG. Bibby	11	11	-	-	-	-
SL. Fabian	11	11	1	1	1	1
JM. Madden	11	11	-	-	-	-

- 1) The number of meetings attended by Mr MH Stirzaker reflects the number of meetings held since his appointment.
 2) The meetings of directors do not include the 12 Due Diligence Committee meetings held between 1 August 2020 and 11 December 2020.

OPTIONS

At as the date of this report, the unissued ordinary shares of the Company under unlisted options are as follows:

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	OPTION NUMBER
7 December 2020	7 December 2022 (IPO Options)	\$0.3000	9,035,296
7 December 2020	7 December 2022 (Escrow Options)	\$0.3000	2,244,750
			11,280,046

Under the terms and conditions of the IPO the Company raised \$5,000,000 with the issue of 20,000,000 shares at 25 cents per share. The Company also issued subscribers with a free-attaching unlisted option over ordinary shares with the options terms being one option for every two shares subscribed at an exercise price of 30 cents per option and with an expiry date of 2 years from the date of issue.

The Company granted Harbury Advisors Pty Ltd with 2,244,750 options over ordinary shares pursuant to its Letter of Engagement on the same terms and conditions as the IPO options. The options over ordinary shares issued to Harbury have been escrowed by the ASX for a period of two years.

PROCEEDINGS ON BEHALF OF COMPANY

The Company has no outstanding or pending litigation whether brought by the Company or brought against the Company by a third party.

NON-AUDIT SERVICES

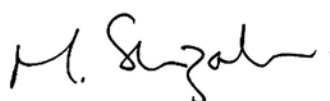
Bentleys Audit & Corporate (WA) Pty Ltd provided the Independent Limited Accounting Report for the IPO as well as taxation services to the Company.

The services to the Company for providing the Independent Limited Assurance Report totalled \$19,760 and taxation services totalled \$1,000.

AUDITOR'S INDEPENDENCE DECLARATION

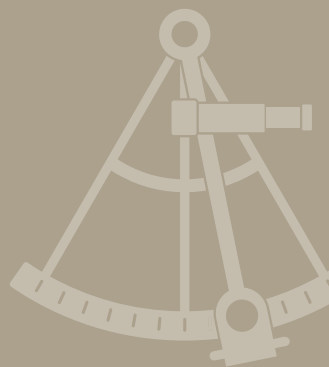
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 19.

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



MH Stirzaker
Non-executive Chairman

Dated this 11 March 2021



Prospectus use of funds

The Company listed on the Australian Securities Exchange on 15 December 2020 and set out in its Replacement Prospectus, dated 12 November 2020, the uses of funds that the Company would incur from the raising of \$5,000,000 from the IPO.

The table below sets out the sources and uses of funds in the Replacement Prospectus:

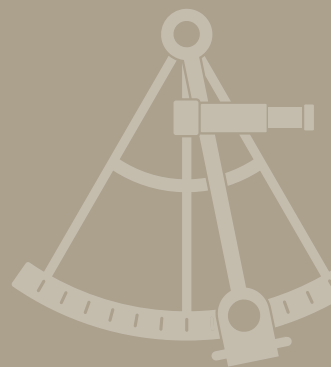
	YEAR 1 PROSPECTUS \$	YEAR 2 PROSPECTUS \$
Sources of funds		
Cash balances at the start of the period	1,203,000	2,532,000
Proceeds	5,000,000	-
Costs of listing	(566,000)	-
Total sources of funds	5,637,000	2,532,000
Uses of funds		
Direct exploration and drilling	(2,287,000)	(544,000)
Indirect exploration and drilling	(279,000)	(635,000)
Annual administration fees for tenements	(120,000)	(120,000)
Corporate costs	(419,000)	(343,000)
Total use of funds	(3,105,000)	(1,642,000)
Cash balances at the end of the year	2,532,000	890,000

The table below sets out the actual sources and uses of funds for the period 1 September 2020 to 31 December 2020 plus forecast expenditure thereafter until 30 September 2022:

	YEAR 1 FORECAST \$	YEAR 2 FORECAST \$
Sources of funds		
Cash balances at the start of the period	1,407,820	2,758,695
Proceeds	5,000,000	-
Exercise of options	289,411	-
Costs of listing	(656,912)	-
Total sources of funds	6,040,319	2,758,695
Uses of funds		
Direct exploration and drilling	(2,287,000)	(544,000)
Indirect exploration and drilling	(279,000)	(635,000)
Annual administration fees for tenements	(240,000)	(120,000)
Corporate costs	(519,000)	(343,000)
Exchange fluctuation	43,376	-
Total use of funds	(3,281,624)	(1,642,000)
Cash balances at the end of the period	2,758,695	1,116,695

From a comparison perspective, the Group had more cash balances at the commencement of the listing process than forecast as a result of the carry-over of exploration (ie., annual administration fees payable to the Bureau du Cadastre Minier de Madagascar) and corporate costs to September 2020.

Listing costs are expected to be \$90,912 above the amount forecast due to costs of the replacement prospectus (legal), higher entitlements to Harbury for out-of-pockets and non-allowable GST input credits for financial services and exchange fluctuation losses arose from the appreciation of the Australian dollar against the US dollar. The Group also made backpay payments to its two executive directors (see Remuneration Report).



Remuneration Report

REMUNERATION COMMITTEE AND REMUNERATION POLICY

The Company has established a Remuneration Committee which comprises Messrs MH Stirzaker and SL Fabian as part of the processes adopted to list on the ASX. Messrs Stirzaker and SL Fabian are non-executive directors of the Company. Mr JM Madden attends meetings of the Remuneration Committee in his capacity as Secretary to the Committee and accordingly, is not a participant in deliberations and decisions made by the Remuneration Committee.

The role of the Remuneration Committee is to determine for the board of directors in fulfilling its responsibilities to shareholders by:

- (a) establishing and reviewing executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
- (b) ensuring executive remuneration policy displays a clear linkage between performance and remuneration and therefore, fairly and responsibly rewarding performance under prevailing market conditions;
- (c) reviewing the recruitment, retention and termination policies of the Company and procedures for executives;
- (d) reviewing and recommending to the board of directors' equity-based plans and other equity-based incentive schemes;
- (e) evaluating the performance of non-executive directors;
- (f) ensuring non-executive directors' remuneration is fair and responsible under prevailing market conditions; and
- (g) recommending to the board of directors (and in accordance with the Corporations Act) equity-based plans and other equity-based incentives schemes for non-executive directors to participate.

The Remuneration Committee has the right to retain consultants to assist it in performing its role. The Remuneration Committee, as at the date of this report, has not used consultants to assist with its role.

The Remuneration Committee tests its decisions through instructing management to develop a Peer Group of exploration entities at a similar stage in advancement of exploration projects. The goal of this Peer Review is to ensure that fixed remuneration and incentive-based remuneration sit comfortably within the range of the Peer Group.

REMUNERATION FOR PRIOR PERIODS

Between 2017 and 2019, the Company did not pay any form of remuneration to its directors. The board of directors agreed that until such time as the Company had raised a minimum of \$2,500,000 no remuneration should be paid to directors. Following the completion of an equity raising in August 2019 that exceeded the minimum raising set by the board of directors as described above, the board of directors review its remuneration policy.

To preserve cash balances, the board of directors put to shareholders at a general meeting on 25 March 2020 a number of resolutions to issue fully paid ordinary shares to directors, with the issue of shares subject to continuation of employment as either an executive or non-executive director for two years and other restrictions set by any security exchange with which the Company would pursue a listing. In total, shareholders issued directors (including directors who had resigned or were removed by shareholders as directors) 31,830,000 fully paid ordinary shares (pre-Consolidation of shares on a 11:1 basis) at a premium of 15% to the last equity raising price. The shares issued reflected remuneration for the period 1 January 2017 to 30 June 2019. As at 31 December 2019, the Company accrued the value of the shares to be put to shareholders on 25 March 2020 at a general meeting. The shares assigned to Messrs PG Bibby and SL Fabian for the above-mentioned period reflected their roles in equity raising internationally as well as operational activities.

CONTRACTS OF EMPLOYMENT AND LETTERS OF APPOINTMENT

As part of the listing process, the Company formalised contracts of employment with its two executive directors (Messrs PG Bibby and JM Madden), reviewed the terms and conditions of the appointment of its non-executive director (SL Fabian) and established the terms and conditions of appointment of a non-executive chairman. The fixed remuneration principles set out above were used as the basis for setting the fixed remuneration.

PG Bibby

The Company executed a Contract of Employment with Mr Bibby on 3 September 2020 but was effective from 1 July 2019 (the MD Agreement). Mr Bibby is engaged as a full-time employee of the Company in the role of Managing Director and Chief Executive Officer. Mr Bibby is responsible for overseeing the Company's projects in Madagascar and in particular, coordinating and implementing the exploration strategy for these projects with input from other senior executive staff, and subject to the overall control and direction of the board of directors.

The remuneration payable to Mr Bibby for the MD Services is \$250,000 exclusive of statutory superannuation (Base Salary). In addition to the Base Salary, the Company has granted Mr Bibby an annual performance bonus of up to 25% of the Base Salary during the exploration phase (MD Bonus), initially to a maximum of \$62,500, based on key performance indicators (KPIs) agreed between the Company and Mr Bibby. If the KPIs are met, the Company will pay the MD Bonus within three months of the end of the relevant financial year. The MD Bonus can be payable on a pro rata basis.

The MD Agreement is for an indefinite term, continuing until terminated in accordance with the MD Agreement. Either the Company or Mr Bibby may terminate the MD Agreement by giving 12 months' notice in writing to the other party. The Company may terminate the MD Agreement without notice in certain limited circumstances.

JM Madden

The Company entered into an employment agreement with Mr John Madden on 3 September 2020 but effective from 1 July 2019 (CFO Agreement). Mr Madden is engaged by the Company full-time as Chief Financial Officer and Company Secretary and is responsible for the provision of company secretarial and financial management services (Services), reporting to the Managing Director and Chief Executive Officer.

The remuneration payable to Mr Madden for the Services is \$150,000 exclusive of superannuation (Base Salary). Mr Madden may also be paid an annual performance bonus of up to 20% of the Base Salary during the development phase (CFO Bonus), conditional upon KPIs agreed between the Company and Mr Madden. If the KPIs are met, the CFO Bonus will be paid within three months of the end of the relevant financial year. The CFO Bonus can be payable on a pro rata basis.

The CFO Agreement commenced on 1 July 2019 for an indefinite term and may be terminated by either party giving 12 months' notice in writing. The Company may terminate the CFO Agreement without notice or prior warning in certain limited circumstances.

SL Fabian

The Company entered into a Letter of Appointment with Mr SL Fabian on 2 July 2017. Under the Letter of Appointment Mr Fabian is entitled to a cash remuneration of \$30,000. The board of directors reviewed the remuneration payable to Mr Fabian and approved an increase in cash remuneration to \$43,800 on 2 September 2020. Mr Fabian is a non-resident of Australia and therefore, the cash remuneration is inclusive of an amount in lieu of the 9.5% superannuation levy.

MH Stirzaker

The Company entered into a letter of Appointment with Mr MH Stirzaker on 6 October 2020. Under the Letter of Appointment Mr Stirzaker is entitled to a cash remuneration of \$75,000 plus the 9.5% superannuation levy. In addition, the board of directors agreed to will issue 400,000 Performance Rights to Mr Stirzaker for nil consideration, subject to shareholder approval at the Company's next general meeting.

During the process for recruiting a non-executive chairman for the Company, the board of directors concluded that to secure an appropriately skilled non-executive chairman it was important to provide both fixed remuneration and an incentive-based remuneration.

REMUNERATION FOR 2020

The Remuneration Committee discussed in December 2020 the fixed remuneration paid by the Company to its two executive directors, noting that up to that point they had received only notional fixed remuneration from 1 July 2019 to 30 November 2020. Accordingly, it was determined appropriate to honour the fixed remuneration terms of the contracts of employment for the two executive directors of the Company from 1 January 2020.

In relation to non-executive directors, the maximum remuneration pool available under the Constitution of the Company under 6.3(a) is \$750,000. The total remuneration payable to Messrs Stirzaker and Fabian, the non-executive directors of the Company, is \$125,925 in any calendar year.

LTIP

The Company adopted on 11 August 2011 a Long-term Incentive Plan (LTIP) which allows the board of directors to make offers to eligible directors and employees to acquire securities in the Company.

Under the terms of the LTIP, the board of directors may award performance rights or grant options.

Performance rights:

The performance rights require no payment for the grant to be made; and subject to certain rules relating to cessation of employment, takeovers or insolvency events, will vest only where certain performance conditions have been satisfied (or waived).

Upon vesting of a performance right, Ordinary Shares will be allocated to the participant without any further action on the part of the participant.

On vesting of a performance right, the Board must allocate the relevant number of Shares due to the participant by either issuing new Shares, procuring the transfer of Shares or procuring the setting aside of Shares for the participant.

A performance right will lapse on the earlier of, amongst other things, the occurrence of specific instances or if the participant has failed to meet a performance condition within the prescribed period.

Options:

Options require no payment for the grant to be made and will only vest and become exercisable where certain performance conditions have been satisfied.

The exercise of any option granted under the LTIP will be effected in the form and manner determined by the board of directors and must be accompanied by payment of the relevant exercise price (if any) advised to the participant by the board of directors.

Following the exercise of an option, the board of directors must allocate the relevant number of Shares due to the participant by either issuing new shares, procuring the transfer of shares or procuring the setting aside of shares for the participant.

An option will lapse on the earlier of, amongst other things, the occurrence of specific instances, if the participant has failed to meet a performance condition within the prescribed period or seven years from the grant of the option (or on any other date nominated as the expiry date in the invitation letter).

Prohibited dealings:

The LTIP prohibits any dealing (which includes, amongst other things, selling, transferring, assigning, encumbering the relevant performance right or option, or attempting to do any of these actions) in respect of an LTIP Security unless the Board determines otherwise, or it is required by law.

If a participant deals in an LTIP Security in contravention of this rule, it will immediately lapse.

The Board may also impose restriction on dealing in respect of any Ordinary Shares that are allocated on the vesting of a performance right or the exercise of an option.

Cessation of employment:

Where a participant ceases to be a director or employee of the Group, that participant's LTIP Securities will continue to be held by the participant and continue to be subject to the terms of the LTIP. However, the Board may determine that some or all of the participants LTIP Securities will vest or become exercisable, or lapse.

Takeovers and insolvency events:

In the event of a takeover bid, or on certain insolvency events, the Board may determine that all (or a specified number of) a participant's unvested LTIP Securities will vest. Any such vested options will be exercisable for a period of time as specified by the Board, after which they will lapse.

Power to make amendments:

The Board has the right to, amongst other things to make any adjustments to the terms of a performance right or option (in order to minimise or eliminate any material advantage or disadvantage to a participant resulting from a corporate action or capital reconstruction) by resolution, and subject to the terms set out in the LTIP or suspend or terminate the operation of the LTIP; and be reimbursed by the participant any amount to account for income tax (or any other tax of a similar nature) due by the Company in connection with the grant of any LTIP Securities.

Other than to comply with a relevant law, correct a manifest error or to take into account possible adverse tax implications, without the consent of the participant, the Board may not exercise its rights above in a manner which reduces the rights of the participant in respect of an LTIP Security already granted.

Remuneration details for the financial years ended 31 December 2020 and 2019

GROUP KMP	SHORT-TERM BENEFITS				POST-EMPLOYMENT BENEFITS	LONG-TERM BENEFITS	SHARE-BASED PAYMENTS		TOTAL	% S-BP
	SALARY/ FEES	PROFIT SHARE/ BONUSES	NON-MONETARY	OTHER	SUPER-ANNUATION	OTHER	EQUITY	OPTIONS/ PERFORMANCE SHARES		

For Financial Year Ended 31 December 2020

MH Stirzaker	23,333	-	-	-	2,216	-	-	-	25,549	-
PG Bibby ¹	270,621	-	-	-	25,000	-	-	-	295,621	-
SL Fabian	41,900	-	-	-	-	-	-	-	41,900	-
JM Madden	150,000	-	-	-	3,087	-	-	-	153,087	-
	485,854	-	-	-	30,303	-	-	-	516,157	-

For Financial Year Ended 31 December 2019

PG Bibby	65,000	-	-	-	-	-	300,000	-	365,000	82.2%
MA BurrIDGE	-	-	-	-	-	-	30,000	-	30,000	100.0%
SL Fabian	20,000	-	-	-	-	-	156,600	-	176,600	88.7%
JM Madden	16,250	-	-	-	-	-	90,000	-	106,250	84.7%
DL Wu	-	-	-	-	-	-	60,000	-	60,000	100.0%
	101,250	-	-	-	-	-	636,600	-	737,850	86.3%

1. Salary represents contractual salary and an amount due of \$20,621 that was not accrued at the end of 2019

Equity holdings of each director

	BALANCE AT START OF YEAR	RECEIVED DURING THE YEAR AS COMPENSATION	CONVERSION OF PERFORMANCE SHARES DURING THE YEAR	SUBSCRIPTIONS TO ISSUES OF IPO SHARES	OTHER CHANGES DURING THE YEAR	BALANCE AT END OF YEAR
GROUP KMP	NO	NO	NO	NO	NO	NO
2020						
MH Stirzaker	-	-	-	100,000	-	100,000
PG Bibby	1,965,201	-	-	200,000	-	2,165,201
SL Fabian	893,636	-	-	-	-	893,636
JM Madden	1,177,026	-	-	-	-	1,177,026
	4,035,863	-	-	300,000	-	4,335,863

2019

Post-Consolidation

PG Bibby	601,565	1,363,636	-	-	-	1,965,201
MA Burrige	181,818	136,364	-	-	(318,182)	-
SL Fabian	181,818	711,818	-	-	-	893,636
JM Madden	767,935	409,091	-	-	-	1,177,026
DL Wu	454,545	272,727	-	-	(727,272)	-
	2,187,682	2,893,636	-	-	(1,045,454)	4,035,863

Pre-Consolidation

PG Bibby	6,617,211	15,000,000	-	-	-	21,617,211
MA Burrige	2,000,000	1,500,000	-	-	(3,500,000)	-
SL Fabian	2,000,000	7,830,000	-	-	-	9,830,000
JM Madden	8,447,286	4,500,000	-	-	-	12,947,286
DL Wu	5,000,000	3,000,000	-	-	(8,000,000)	-
	24,064,497	31,830,000	-	-	(11,500,000)	44,394,497

On 31 August 2020, shareholders approved a resolution to consolidate the number of shares on issue on an 11:1 in order to comply with Chapters 1 and 2 of the Australian Securities Exchange. Accordingly, the Company has for completeness disclosed the number of shares held by directors on a pre-Consolidation and post-Consolidation basis as at 31 December 2019.

Mr PG Bibby holds 1,489,759 ordinary shares directly and 185,682 ordinary shares indirectly via his superannuation fund. In addition, the holding of Ms JA Bibby, the daughter of Mr PG Bibby, is included in the holding of Mr PG Bibby, as Ms JA Bibby satisfied the definition of a related party under AASB 124 Related Parties Disclosure. Ms JA Bibby held 389,759 ordinary shares in the Company as at 31 December 2019 and acquired pursuant to participation in the IPO a further 100,000 ordinary shares. In total, Ms JA Bibby holds 489,759 ordinary shares in the Company as at 31 December 2020.

Mr JM Madden holds 662,344 ordinary shares directly and 514,682 ordinary shares indirectly via his superannuation fund.

Options over ordinary shares held by each director

	BALANCE AT START OF YEAR	RECEIVED DURING THE YEAR AS COMPENSATION	EXERCISED DURING THE YEAR	ISSUED UNDER IPO	OTHER CHANGES DURING THE YEAR	BALANCE AT END OF YEAR
GROUP KMP	NO	NO	NO	NO	NO	NO
2020						
MH Stirzaker	-	-	-	50,000	-	50,000
PG Bibby	-	-	-	50,000	-	50,000
SL Fabian	-	-	-	-	-	-
JM Madden	-	-	-	-	-	-
	-	-	-	100,000	-	100,000
2019						
PG Bibby	-	-	-	-	-	-
MA Burridge	-	-	-	-	-	-
SL Fabian	-	-	-	-	-	-
JM Madden	-	-	-	-	-	-
DL Wu	-	-	-	-	-	-
	-	-	-	-	-	-

The option holding of Mr PG Bibby includes 50,000 options over ordinary shares issued to Ms JA Bibby, the daughter of Mr PG Bibby, that were issued to Ms Bibby pursuant to participation in the IPO.

There are no other related party transactions with Key Management Personnel and their related parties as at 31 December 2020 (2019: nil).

Auditor's Independence Declaration



Bentleys Audit & Corporate
(WA) Pty Ltd

London House
Level 3,
216 St Georges Terrace
Perth WA 6000

PO Box 7775
Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500

F +61 8 9226 4300

bentleys.com.au

To the Board of Directors,

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit partner for the audit of the financial statements of Akora Resources Limited for the financial year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

BENTLEYS
Chartered Accountants

DOUG BELL CA
Partner

Dated at Perth this 11th day of March 2021



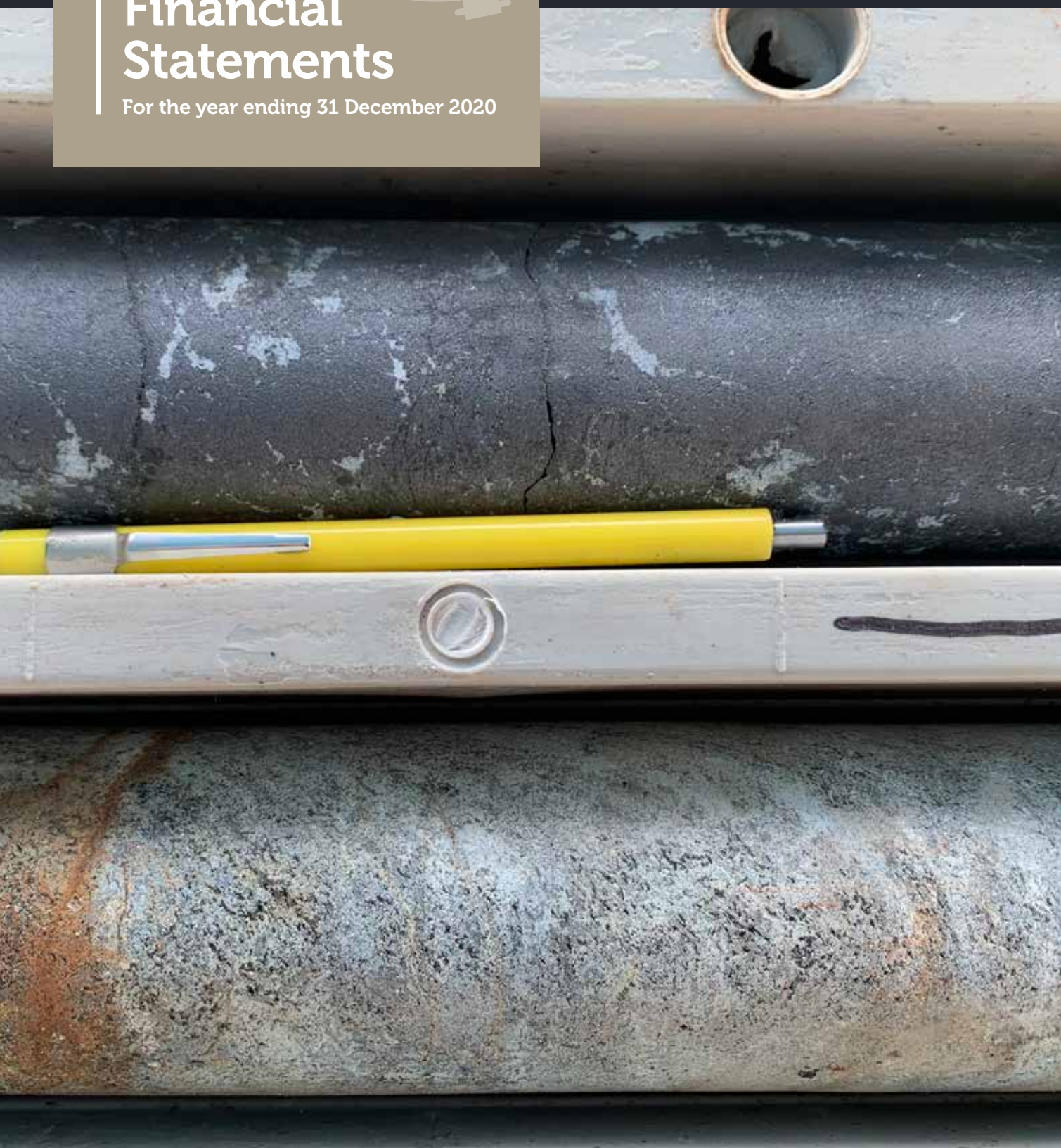
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Financial Statements

For the year ending 31 December 2020



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTE	31 DECEMBER	
		2020 \$	2019 \$
Total revenue and other income	6	31	202
Expenditure			
Administration costs		60,161	53,408
Employee costs		541,301	752,948
Finance costs		-	20,000
Contractors and consultants		141,292	94,225
Exchange fluctuation		134,662	56,459
Listing costs	7	462,235	(156,826)
Travel		69,950	87,660
Secretarial		40,260	-
Depreciation		4,800	-
Other		1,910	6,381
Total expenditure		1,456,571	914,255
Loss before tax for year		(1,456,540)	(914,053)
Income tax (expense)/benefit	8	-	-
Net loss		(1,456,540)	(914,053)
Net loss for the year attributable to:			
Non-controlling interests		-	31,930
Owners of AKORA Resources Limited		(1,456,540)	(945,983)
		(1,456,540)	(914,053)
Items that have been or may be subsequently reclassified to profit or loss			
Translation reserve			
Non-controlling interests		-	13,071
Owners of AKORA Resources Limited		(102,646)	(50,550)
Total comprehensive income for the year		(102,646)	(37,479)
Total comprehensive income for the year attributable to:			
Non-controlling interests		-	45,001
Owners of AKORA Resources Limited		(1,559,186)	(981,438)
		(1,559,186)	(936,437)
Loss per share	9		
Basic earnings per share/cents		(3.76)	(3.86)
Diluted earnings per sharecents		(3.76)	(3.86)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTE	31 DECEMBER	
		2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	11	4,769,912	2,091,819
Receivables	12	31,525	14,419
Other	13	2,326	2,807
Total current assets		4,803,763	2,109,045
Non-current assets			
Exploration and evaluation	14	3,770,077	3,133,129
Property plant and equipment	15	10,192	12,831
Total non-current assets		3,780,269	3,145,960
Total assets		8,584,032	5,255,005
Liabilities			
Current liabilities			
Payables	16	256,879	775,361
Provisions	17	14,749	23,857
Borrowings and other liabilities	18	-	-
Deferred consideration	19	-	161,802
Total current liabilities		271,628	961,020
Total liabilities		271,628	961,020
Net assets		8,312,404	4,293,985
Equity			
Contributed equity	20	24,467,443	18,832,748
Other contributed equity	21	4,800	221,893
Reserves	22-24	31,137	(161,038)
Accumulated losses	25	(16,190,976)	(14,734,436)
Equity attributable to shareholders of AKORA		8,312,404	4,159,167
Attributable to non-controlling interests	26	-	134,818
Total equity		8,312,404	4,293,985

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	NOTE 20	NOTE 21	NOTE 22	NOTE 23	NOTE 24	NOTE 25	EQUITY	NOTE 26	TOTAL
	SHARE CAPITAL	OTHER CONTRIB- UTED EQUITY	TRANS- LATION RESERVE	SHARE- BASED PAYMENTS RESERVE	OTHER RESERVES	ACCUM- ULATED LOSSES	ATTRIBUTABLE TO SHARE- HOLDERS OF AKORA	EQUITY ATTRIBUTABLE TO NON- CONTROLLING INTERESTS	EQUITY
	\$	\$	\$	\$	\$	\$	\$	\$	\$
As at 31 December 2018	15,971,191	-	(110,488)	-	-	(13,788,453)	2,072,250	89,817	2,162,067
Transactions with owners in their capacity as owners of the Company	-	-	-	-	-	-	-	-	-
Share issues	2,510,456	-	-	-	-	-	2,510,456	-	2,510,456
Equity raising costs	(119,859)	-	-	-	-	-	(119,859)	-	(119,859)
Other contributed equity	-	221,893	-	-	-	-	221,893	-	221,893
Conversion of convertible notes	360,000	-	-	-	-	-	360,000	-	360,000
Share-based payments	110,960	-	-	-	-	-	110,960	-	110,960
	2,861,557	221,893	-	-	-	-	3,083,450	-	3,083,450
Net loss for the year	-	-	-	-	-	(945,983)	(945,983)	31,930	(914,053)
Other comprehensive income	-	-	(50,550)	-	-	-	(50,550)	13,071	(37,479)
Total comprehensive income	-	-	(50,550)	-	-	(945,983)	(996,533)	45,001	(951,532)
Income and expense for the year recognised directly in equity	-	-	-	-	-	-	-	-	-
As at 31 December 2019	18,832,748	221,893	(161,038)	-	-	(14,734,436)	4,159,167	134,818	4,293,985

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY CONTINUED

	NOTE 20	NOTE 21	NOTE 22	NOTE 23	NOTE 24	NOTE 25	EQUITY	NOTE 26	TOTAL
	SHARE CAPITAL	OTHER CONTRIB- UTED EQUITY	TRANS- LATION RESERVE	SHARE- BASED PAYMENTS RESERVE	OTHER RESERVES	ACCUM- ULATED LOSSES	ATTRIBUTABLE TO SHARE- HOLDERS OF AKORA	EQUITY ATTRIBUTABLE TO NON- CONTROLLING INTERESTS	EQUITY
	\$	\$	\$	\$	\$	\$	\$	\$	\$
As at 31 December 2019	18,832,748	221,893	(161,038)	-	-	(14,734,436)	4,159,167	134,818	4,293,985
Transactions with owners in their capacity as owners of the Company	-	-	-	-	-	-	-	-	-
Share issues	5,956,510	-	-	-	-	-	5,956,510	-	5,956,510
Equity raising costs	(670,608)	-	-	-	-	-	(670,608)	-	(670,608)
Other contributed equity	221,893	(217,093)	-	-	-	-	4,800	-	4,800
Exercise of options	126,900	-	-	-	-	-	126,900	-	126,900
Share-based payments	-	-	-	268,111	-	-	268,111	-	268,111
Other reserves	-	-	-	-	26,710	-	26,710	(134,818)	(108,108)
	5,634,695	(217,093)	-	268,111	26,710	-	5,712,423	(134,818)	5,577,605
Net loss for the year	-	-	-	-	-	(1,456,540)	(1,456,540)	-	(1,456,540)
Other comprehensive income	-	-	(102,646)	-	-	-	(102,646)	-	(102,646)
Total comprehensive income	-	-	(102,646)	-	-	(1,456,540)	(1,559,186)	-	(1,559,186)
Income and expense for the year recognised directly in equity	-	-	-	-	-	-	-	-	-
As at 31 December 2020	24,467,443	4,800	(263,684)	268,111	26,710	(16,190,976)	8,312,404	-	8,312,404

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

	NOTE	31 DECEMBER	
		2020 \$	2019 \$
Cash flows from/(used) in operating activities			
Payments to employees and suppliers		(718,388)	(259,103)
IPO costs		(459,760)	-
Interest received		31	202
Net cash flows from/(used) in operating activities	32	(1,178,117)	(258,901)
Cash flows from/(used) in investing activities			
Settlement of acquisition of IOCM		-	(253,478)
Payments for exploration and evaluation		(785,606)	(200,562)
Property plant and equipment		(2,726)	(12,831)
Net cash flows from/(used) in investing activities		(788,332)	(466,871)
Cash flows from financing activities			
Proceeds from the issue of shares		5,000,000	2,732,349
Equity raising costs		(352,496)	(49,777)
Other contributed equity		4,800	-
Exercise of options		126,900	-
Proceeds from borrowings		-	100,000
		4,779,204	2,782,572
Net cash flows		2,812,755	2,056,800
Cash and cash equivalents as at the start of the financial year		2,091,819	83,538
Exchange fluctuation		(134,662)	(48,519)
Cash and cash equivalents as at the end of the financial year	11	4,769,912	2,091,819

The accompanying notes form part of these financial statements

NOTE 1: CORPORATE INFORMATION

The Financial Statements of AKORA Resources Limited (formerly Indian Pacific Resources Limited) (hereafter referred to as the “parent entity”) and its controlled entities comprising Malagasy Holdings (Tratramarina Pty Ltd and its controlled entity Universal Exploration Madagascar sarl) and Malagasy Holdings (Bekisopa) Pty Ltd and its controlled entity Iron Ore Corporation of Madagascar sarl) for the financial year ended 31 December 2020.

The Financial Statements were authorised for issue in accordance with a resolution of the Board of Directors on 11 March 2021.

The parent entity is an entity incorporated in Australia limited by shares and listed on the Australian Securities Exchange.

The principal activities of the parent entity are exploration for ferrous metals.

NOTE 2(A): BASIS OF PREPARATION AND ACCOUNTING POLICIES

Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards Board (hereafter referred to as “AASB”) standards and other authoritative pronouncements of the AASB and the Corporations Act 2001.

The financial report has been prepared on an historical cost basis.

The financial report is presented in Australian dollars.

The Statement of Comprehensive Income for both 2020 and 2019 covers the period 1 January to 31 December in each year.

Statement of compliance

The financial report complies with Australian Accounting Standards as issued by the AASB and International Financial Reporting Standards as issued by the International Accounting Standards Board.

Going concern

The Group recorded a net loss of \$1,456,540 (2019: \$945,983) and incurred cash outflows from operating and investing activities of \$1,178,117 for the year ended 31 December 2020 (2019: cash outflows of \$258,901) which included non-recurring listing costs of \$462,235 (2019: negative \$156,826). As at 31 December 2020, the Group had working capital of \$4,532,135. The Group had working capital in the previous year of \$1,946,428 (excluding accrued remuneration for directors and management of \$636,601 and amount due to Cline Mining Corporation to be extinguished by way of the issue of fully paid ordinary shares).

The Group is committed to conducting a Phase II drilling campaign at its Bekisopa project on the basis set out in its prospectus, dated 12 November 2020. Expenditure on exploration is inclusive of, but not limited to, those amounts identified in Note 28. In addition, the Group will incur corporate costs associated with its on-going obligations as a listed entity on the ASX and its contractual obligations to executives.

As at balance date, 31 December 2020, the Group has sufficient funds to implement its proposed plans and extinguish obligations as and when required for the next 12-months. The company has capacity to manage discretionary expenditure to ensure its continuation as a going concern.

Critical accounting estimates

The preparation of the financial report requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the group’s accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial report are disclosed in Note 3.

NOTE 2(B): CAPITAL MANAGEMENT POLICY

The goal of management is to ensure that the Group continues as a going concern whilst simultaneously managing the dilution. The Group seeks to add value through its exploration and evaluation activities so that new issues of shares can be undertaken at a premium to previous issues.

The Group is involved in high risk exploration and therefore, it looks to raise equity rather than debt or quasi-equity instruments.

NOTE 2(C): PRINCIPLES OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of AKORA Resources Limited and its controlled entities as at and for the period ended 31 December each year (the Group).

Controlled entities are those entities over which the Group has the power to govern the financial and operating policies to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of the controlled entities are prepared for the same reporting period as the parent entity, using consistent accounting policies, in preparing and consolidated financial statements, all inter-parent entity balances, transactions, unrealised gains and losses resulting from the intra-group transactions have been eliminated in full.

Controlled entities are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Investments in controlled entities by AKORA Resources Limited are accounted for at cost in the separate financial statements of the parent entity less any impairment charges.

The acquisition of controlled entities is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the entity acquired. The identifiable assets acquired, and the liabilities assumed are measured at their acquisition date fair values.

The difference between the identifiable assets acquired less the liabilities assumed and the fair value of the consideration is goodwill or discount on acquisition.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquired entity are assigned to those units.

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

Non-controlling interests are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent entity.

Total comprehensive income within a controlled entity is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a controlled entity that does not result in a loss of control, is accounted for as an equity transaction.

A change in the ownership interest of a controlled entity, without a loss of control, is accounted for as an equity transaction, if the Group loses control over a controlled entity, it:

- (i) Derecognises the assets (including goodwill) and liabilities of the controlled entity;
- (ii) Derecognises the carrying amount of any non-controlling interest;
- (iii) Derecognises the cumulative translation differences recorded in equity;
- (iv) Recognises the fair value of the consideration received;
- (v) Recognises the fair value of any investment retained;
- (vi) Recognises any surplus or deficit in the Statement of Comprehensive Income statement; and
- (vii) Reclassifies the parent entity's share of components previously recognised in other comprehensive income to Statement of Comprehensive Income or retained earnings, as appropriate.

NOTE 2(D): FOREIGN CURRENCY TRANSLATION

The financial report of the Group is presented in Australian dollars, which is the functional and presentation currency of the parent entity. Each entity in the Group determines its own functional currency.

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the rate of exchange prevailing at the reporting date and the income statements for foreign operations are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income.

NOTE 2(E): REVENUE RECOGNITION

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group:

- identifies the contract with a customer;
- identifies the performance obligations in the contract;
- determines the transaction price which takes into account estimates of variable consideration and the time value of money;
- allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
- recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

NOTE 2(F): INCOME TAX

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

The current tax charge is calculated on the basis of the tax laws acted or substantively enacted at the end of the reporting period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial report of the Group. Deferred income tax; however, is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit and loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the financial period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same tax authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

NOTE 2(G): LEASES

The Group has applied AASB 16 Leases to its lease obligations. Under this new standard, the group is required to recognise all right of use assets and lease liabilities, except for short-term (12 months or fewer) and low value leases, on the balance sheet. The lease liability is initially measured at the present value of future lease payments for the lease term. Where a lease contains an extension option, the lease payments for the extension period will be included in the liability if the Group is reasonably certain that it will exercise the option. The liability includes variable lease payments that depend on an index or rate but excludes other variable lease payments. The right of use asset at initial recognition reflects the lease liability, initial direct costs and any lease payments made before the commencement date of the lease less any lease incentives and, where applicable, provision for dismantling and restoration.

The Group has recognised depreciation of right of use assets and interest on lease liabilities in the statement of comprehensive income over the lease term. Separate the total amount of cash paid into a principal portion (presented within financing activities) and interest portion (which the Group presents in operating activities) in the cash flow statement.

The Group has measured the rights to use as if AASB 16 has applied since the commencement date of the lease arrangements and used the incremental borrowing rate at the date of transition. Under this approach the Group has capitalised the rights to use and recorded the present value of obligations to pay as a liability by applying a single incremental borrowing rate with an adjustment to the opening balance of accumulated losses.

The Group has assessed the financial implications of application of AASB 16 Leases and concluded that there is no impact.

NOTE 2(H): IMPAIRMENT OF ASSETS

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each financial period.

NOTE 2(I): CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprise cash at banks and at hand and short-term deposits with an original maturity of three months or less.

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.

NOTE 2(J): TRADE RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

The amount of impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

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

NOTE 2(K): INVESTMENTS AND OTHER FINANCIAL ASSETS

Classification

The Group classifies its financial assets in the following categories: financial assets at fair value through Statement of Comprehensive Income, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, re-evaluates this designation at the end of each financial period.

Financial assets at fair value through Statement of Comprehensive Income

Financial assets at fair value through Statement of Comprehensive Income include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(viii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the financial period which are classified as non-current assets.

(ix) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit and loss through the amortisation process and when the financial liability is derecognised.

Re-classification

The Group may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification. Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through Statement of Comprehensive Income. Financial assets carried at fair value through Statement of Comprehensive Income, are initially recognised at fair value and transaction costs are expensed in Statement of Comprehensive Income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to Statement of Comprehensive Income as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Available-for-sale financial assets and financial assets at fair value through Statement of Comprehensive Income are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through Statement of Comprehensive Income' category are presented in Statement of Comprehensive Income within other income or other expenses in the period in which they arise.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in Statement of Comprehensive Income, and other changes in carrying amount are recognised in other comprehensive income. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

Impairment

The Group assesses at the end of each financial period whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in Statement of Comprehensive Income - is reclassified from equity and recognised in Statement of Comprehensive Income as a reclassification adjustment. Impairment losses recognised in Statement of Comprehensive Income on equity instruments classified as available-for-sale are not reversed through Statement of Comprehensive Income.

If there is evidence of impairment for any of the Group's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in Statement of Comprehensive Income.

NOTE 2(L): PROPERTY, PLANT AND EQUIPMENT

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

- Computer hardware and software 3 years
- Exploration equipment 5 years
- Motor vehicles 4 years
- Office furniture and fittings 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each financial period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Comprehensive Income. When revalued assets are sold, it is the Group's policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

NOTE 2(M): EXPLORATION AND EVALUATION EXPENDITURE

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method. Once the legal right to explore has been acquired, exploration and evaluation expenditure is charged to Statement of Comprehensive Income as incurred, unless the board of directors conclude that a future economic benefit is more likely to be realised.

Exploration and evaluation expenditure is capitalised provided the rights to tenure of the area of interest are current and either:

- (x) the exploration and evaluation activities are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale;
- (xi) the exploration and evaluation activities in the area of interest have not at the end of a financial period reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are continuing.

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

Impairment

The carrying amount of capitalised exploration and evaluation expenditure is assessed for impairment at the cash generating unit level whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

Impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognised in Statement of Comprehensive Income.

NOTE 2(N): TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

NOTE 2(O): PROVISIONS

Provisions for legal claims and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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 a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the financial period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

NOTE 2(P): EMPLOYEE BENEFITS

(xii) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(xiii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits. These long-term benefits are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to future wage and salary levels, experience of employee departures and periods of service. Expected

future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(xiv) **Termination benefits**

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

NOTE 2(Q): CONTRIBUTED EQUITY

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the Group reacquires its own equity instruments, for example, as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in Statement of Comprehensive Income and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

NOTE 2(R): DIVIDENDS

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the financial period.

NOTE 2(S): GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

NOTE 2(T): SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting structure provided to the board of directors, the chief operating decision making body, which is responsible for the allocation of resources and performance assessment of the operating segments.

NOTE 2(U): NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2020. New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform
- AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia.

The Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet adopted.

At the date of authorisation of the financial statements, the Group has not applied the new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective. Based on a preliminary review of the standards and amendments, the Directors do not anticipate a material change to the Group's accounting policies, however further analysis will be performed when the relevant standards are effective.

NOTE 3: SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's financial statements in conformity with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements is described below.

(i) **Functional currency**

The functional currency of foreign operations has been determined as Australian dollars. This outcome has resulted from examination of the prevailing facts and circumstances, including the basis on which the entities incur obligations for exploration and evaluation activities and the basis on which the foreign operations are funded.

(ii) **Exploration and evaluation expenditure**

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits are likely from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of a resource, in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code 2012 Edition, is itself an estimation process that requires varying degrees of uncertainty depending on sub-classification and these estimates directly impact the point of deferral of exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about the future events or circumstances, in particular, whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available.

Significant judgement is required in determining whether it is likely that future economic benefits will be derived from the capitalised exploration and evaluation expenditure. In the judgement of the Directors, at 31 December 2020 exploration activities in each area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. Active and significant operations in relation to each area of interest are continuing and nothing has come to the attention of the Directors to indicate future economic benefits will not be achieved. The Directors are continually monitoring the areas of interest and are exploring alternatives for funding the development of areas of interest when economically recoverable reserves are confirmed.

If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely or exploration activities in the area have ceased, the amount capitalised is written off in Statement of Comprehensive Income in the period when the new information becomes available.

NOTE 4: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise of cash and short-term deposits and other financial assets.

The main purpose of these financial instruments is to invest funds raised by the Group until utilised in exploration activities.

The Group has other financial instruments such as current receivables and payables arising from corporate activities.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Chief Financial Officer is responsible for the management of the Group's financial risk. The Chief Financial Officer updates the board of directors regularly on financial risk management measures that he implements.

Risk exposures and responses

Interest rate risk

The Group is exposed to market interest rates on moneys it has deposited with Australian banking institutions in form of short-term deposits.

At the end of the financial period, the Group had the following financial assets exposed to Australian variable interest rate risk:

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Chief Financial Officer is responsible for the management of the Group's financial risk in consultation with the board of directors. The Chief Financial Officer updates the board of directors regularly on financial risk management measures that he implements.

Risk exposures and responses

Interest rate risk

The Group is exposed to market interest rates on moneys it has deposited with Australian banking institutions in form of short-term deposits.

At the end of the financial period, the Group had the following financial assets exposed to Australian variable interest rate risk:

	31 DECEMBER	
	2020 \$	2019 \$
Cash and cash equivalents	4,769,912	2,091,819

At the end of the financial period, the Group had no financial liabilities exposed to variable interest rate risks.

The Group's cash management policy is to invest surplus funds at the best available rate received from Westpac Banking Corporation.

NOTE 4: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

Set out below is a sensitivity analysis of the financial implications of interest rate risk exposure as at the end of the financial year. If interest rates had moved, with all other variables constant, profit after tax and equity would have been:

	31 DECEMBER	
	2020 \$	2019 \$
Profit after tax		
Higher/(lower)		
+1% (100 basis points)	42,358	32,630
-1% (100 basis points)	(25,415)	(10,877)
Equity		
Higher/(lower)		
+1% (100 basis points)	42,327	32,428
-1% (100 basis points)	(25,446)	(10,695)

The movement in equity is directly linked to the movement in the Statement of Comprehensive Income as the Group does not undertake any interest rate hedging.

Foreign currency risk

The Group incurs US dollar denominated consulting and contracting costs on exploration work programmes and transfers US dollars to Madagascar to extinguish day-to-day country costs. At balance date, the obligations outstanding in US dollars are recorded as payables in the Statement of Financial Position. The Group will continue to incur US dollar financial obligations into the future and the Banque Centrale de Malgache has mandated through its regulatory role to limit the number of foreign currencies in which Malagasy entities can conduct business to Euros and US dollars.

As at 31 December 2020, the Group had US dollar payables \$ nil (2019: \$161,802). The Group holds its cash balances equally in Australian and US dollars.

The table below sets out the financial impact of the strengthening or weakening of the Australian dollar against the US dollar on a profit after tax and equity basis as at the end of the financial year, with all other variables constant:

	31 DECEMBER	
	2020 \$	2019 \$
Profit after tax		
Higher/(lower)		
+5% AUD/USD exchange rate	(93,645)	(104,512)
-5% AUD/USD exchange rate	103,543	115,514
Equity		
Higher/(lower)		
+5% AUD/USD exchange rate	(93,645)	(104,512)
-5% AUD/USD exchange rate	103,543	115,514

Commodity price risk

Presently, the principal activities of the Group are the exploration and evaluation of ferrous-based minerals in Madagascar and, as at the date of this financial report, does not have any commodity price risk exposure from the production of ferrous-based minerals.

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and other receivables. The parent entity invests only in short-term deposits with institutions that have AA /A-1+ with a stable outlook rating. In Madagascar, the Group banks with Banque Malgache de l'Océan Indien, a banking institution controlled by Banque populaire-Caisse d'épargne. BPCE is rated A+/A-1+ with a stable outlook rating. The Group maintains minimal cash balances in its Malagasy controlled entities.

Current receivables are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Concentration risk

The Group does not have any concentration risk.

NOTE 4: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the ability of the Group to meet these obligations as and when they fall due.

The Group does not have any external borrowings; however, the Group will need additional equity funds in order to explore and evaluate its ferrous-based minerals in Madagascar.

The maturity analysis of financial assets and financial liabilities is set out below:

	0-30 DAYS	31-60 DAYS	61-90 DAYS	91-180 DAYS	TOTAL
Year ended 31 December 2020					
Financial assets					
Cash and cash equivalents	4,769,912	-	-	-	4,769,912
Receivables	31,525	-	-	-	31,525
Other current assets	2,326	-	-	-	2,326
	4,803,763	-	-	-	4,803,763
Financial liabilities					
Payables	(256,879)	-	-	-	(256,879)
Other payables	-	-	-	-	-
Net maturity	4,546,884	-	-	-	4,546,884
Year ended 31 December 2019					
Financial assets					
Cash and cash equivalents	2,091,819	-	-	-	2,091,819
Receivables	14,419	-	-	-	14,419
Other current assets	2,807	-	-	-	2,807
	2,109,045	-	-	-	2,109,045
Financial liabilities					
Payables	(100,436)	-	-	-	(100,436)
Other payables	-	-	-	(836,727)	(836,727)
Net maturity	2,008,609	-	-	(836,727)	1,171,882

Fair values

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised as amounts that represent a reasonable approximation of fair values unless otherwise stated in the applicable notes.

Non-cash settlement

Other payables set in the above as at 31 December 2020 are nil (2019: \$816,727) are to be extinguished by way of the issue of fully paid ordinary shares rather than settlement by way of cash.

NOTE 5: SEGMENT REPORTING

The group operates solely in the mineral exploration industry and is focused on iron ore exploration.

The Group has identified two geographical segments – Australia and Madagascar. All corporate activities, equity raising related activities and project management is conducted in Australia whilst all exploration activities are conducted in Madagascar.

	FINANCIAL YEAR 2020		
	AUSTRALIA	MADAGASCAR	TOTAL
Revenue	25	6	31
Segment result	(776,600)	(83,043)	(859,643)
Unallocated costs			
Exchange fluctuation			(134,662)
Listing costs			(462,235)
Net loss after tax			(1,456,540)
Segment assets			
Cash and cash equivalents	4,676,805	93,107	4,769,912
Receivables	31,525	-	31,525
Other	-	2,326	2,326
Fixed assets	7,709	2,483	10,192
Exploration and evaluation	-	3,770,077	3,770,077
	4,716,039	3,867,993	8,584,032
Segment liabilities			
Payables	192,876	64,003	256,879
Provisions	2,861	11,888	14,749
	195,737	75,891	271,628
Net assets	4,520,302	3,792,102	8,312,404
Capital expenditure			
Exploration and evaluation	-	636,948	636,948
Impairment	-	-	-
	-	636,948	636,948

NOTE 5: SEGMENT REPORTING CONTINUED

	FINANCIAL YEAR 2019		
	AUSTRALIA	MADAGASCAR	TOTAL
Revenue	75	127	202
Segment result	(888,415)	(137,935)	(1,026,350)
Unallocated costs			
Exchange fluctuation			(56,459)
Interest expense			(20,000)
Listing costs			156,826
Net loss after tax			(945,983)
Segment assets			
Cash and cash equivalents	2,073,940	17,879	2,091,819
Receivables	14,419	-	14,419
Other	-	2,807	2,807
Fixed assets	8,837	3,994	12,831
Exploration and evaluation	-	3,133,179	3,133,179
	2,097,196	3,157,859	5,255,055
Segment liabilities			
Payables	682,721	92,640	775,361
Provisions	-	23,857	23,857
Other	161,802	-	161,802
	844,523	116,497	961,020
Net assets	1,252,673	3,041,362	4,294,035
Capital expenditure			
Exploration and evaluation	-	162,862	162,862
Impairment	-	-	-
	-	162,862	162,862

NOTE 6: TOTAL REVENUE AND OTHER INCOME

	31 DECEMBER	
	2020 \$	2019 \$
Interest on short-term deposits	31	202

NOTE 7: LISTING COSTS

The Company abandoned its LSE listing in 2017 following the withdrawal of its broker and during the course of 2019 negotiated settlements with consultants. The negotiated settlements resulted in an over-accrual of \$156,826.

NOTE 8: INCOME TAX

	31 DECEMBER	
	2020 \$	2019 \$
Accounting profit/(loss)	(1,456,540)	(914,053)
At the statutory income tax rate applicable to the Company 27.5% (2019: 27.5%)	400,549	251,365
Tax losses for the current year for which no deferred tax asset is recognised	(237,560)	(21,638)
Depreciation	(1,320)	-
Exchange fluctuation	(37,032)	(15,526)
Implicit interest	-	(5,500)
Listing costs	(127,115)	(25,423)
Provisions	2,479	-
Share-based payments	-	(183,278)
Income tax (expense)/benefit	-	-

Deferred tax assets are recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable taxable profits will be available against which the unused tax losses/credits can be utilised.

	31 DECEMBER	
	2020 \$	2019 \$
Deferred tax assets		
Tax losses	2,082,467	2,028,224
Provisions and accruals	53,041	185,604
Other	82,304	25,423
	2,217,812	2,239,251
Set-off deferred tax liabilities	-	-
Net deferred tax assets	2,217,812	2,239,251
less Deferred tax assets not recognised	(2,217,812)	(2,239,251)
Net tax assets	-	-
Deferred tax liabilities		
Exploration expenditure	-	-
Set-off deferred tax assets	-	-
net deferred tax liabilities	-	-
Tax losses		
The tax effect of unused tax losses for which no deferred tax asset has been recognised that may be utilised to offset tax liabilities:		
Revenue losses	2,341,251	2,082,467
capital losses	1,796,180	1,796,180
	4,137,431	3,878,647

NOTE 9: LOSS PER SHARE

	31 DECEMBER	
	2020 \$	2019 \$
Loss from continuing operations for the year	(1,456,540)	(914,053)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	38,779,470	23,703,237
Basic and diluted loss per share (cents per share)	(3.76)	(3.86)

As at 31 December 2020 the Group has 11,805,750 unissued shares under options (December 2019: Nil) on issue. The Group does not report diluted earnings per share on losses generated by the Group. During the year, the Group's unissued shares under option were anti-dilutive.

NOTE 10: DIVIDENDS PAID AND PROPOSED

No dividends were paid during the financial year and no dividend is proposed to be paid as at the end of the financial year, 31 December 2020.

NOTE 11: CASH AND CASH EQUIVALENTS

	31 DECEMBER	
	2020 \$	2019 \$
Cash in hand	35	42
Cash at bank	4,758,968	2,088,664
Short-term deposits	10,909	3,113
	4,769,912	2,091,819

NOTE 12: RECEIVABLES-CURRENT

	31 DECEMBER	
	2020 \$	2019 \$
GST input credits	31,525	14,419

Receivables are non-interest bearing and are generally on 30 to 90-day terms.

NOTE 13: OTHER CURRENT ASSETS

	31 DECEMBER	
	2020 \$	2019 \$
Bonds	2,326	2,807

NOTE 14: EXPLORATION AND EVALUATION

	31 DECEMBER	
	2020 \$	2019 \$
At start of financial year	3,133,129	2,970,267
Additions	728,906	162,862
Exchange fluctuation	(91,958)	-
At end of financial year	3,770,077	3,133,129
The carrying value of exploration and evaluation expenditure at balance date is represented by the following projects:		
Ambodilafa	1,423,863	1,398,820
Bekisopa	1,379,754	741,722
Tratramarina	966,460	992,587
	3,770,077	3,133,129

Ambodilafa Farm-in Agreement

On 22 August 2012, the Company entered into a Farm-in Agreement with Jubilee Platinum plc which entitled the Company to earn a 90% interest in commodities other than platinum group elements, London Metal exchange traded metals and chrome.

Under the Farm-in Agreement, the Company will earn its interest in the commodities in three stages:

- Stage 1 US\$1.0 million expenditure 51%
- Stage 2 US\$1.0 million expenditure (cumulative) 81%
- Stage 3 US\$1.0 million expenditure (cumulative) 90%

The Company is required to give notice to Jubilee each time it has expended US\$1.0 million under the Farm-in Agreement. Jubilee has 30 days from the date of notice to inform the Company whether it wishes to take the unearned interest available to it through jointly funding all future work programmes. If Jubilee does not elect to take the unearned interest, the Company has automatic rights to move to the next stage and earn additional interest in the commodities. Under the Farm-in Agreement the Company will have sole and exclusive rights to explore the Ambodilafa tenements in each stage.

NOTE 14: EXPLORATION AND EVALUATION CONTINUED

Where the Company has earned a 90% interest in the commodities and Jubilee does not elect to take up the unearned interest, the Company has a right to buy-out the unearned interest for \$1.5 million through either shares or cash or a royalty or a combination of these methods.

As at balance date, 31 December 2020 the Company had earned a 90% equity interest in the Ambodilafa tenements. The Company has advised Jubilee that it would elect to buy-out the residual interest by way of a royalty; however, as at the date of this report the Company and Jubilee have not formalised this arrangement.

Bekisopa Share Sale and Purchase Agreement

On 16 June 2014, the Company acquired Iron Ore Corporation of Madagascar sarl pursuant to a Share Sale and Purchase Agreement and the simultaneous execution of a Shareholders Agreement with Cline Mining Corporation. Under the terms and conditions of the Share Sale and Purchase Agreement, the Company paid Cline US\$25,000 (the "First Instalment") on execution of the above-mentioned agreement and agreed to pay, on 17 June 2020, a further US\$175,000 (the "Second Instalment"). In addition, the Company agreed to pay outstanding annual administration fee (*frais d'administration annuel*) to the Bureau of Cadastre Mines of Madagascar (Bureau du Cadastre Minier de Madagascar or BCMM) as well as settling outstanding liabilities in Madagascar.

On 27 October 2016, the Company renegotiated its obligations to Cline through an extension to the payment of the Second Instalment due under the Share Sale and Purchase Agreement. The Second Instalment was extended to 17 June 2018 with an option for the Company to extend the payment date a further 6 months to 17 December 2018.

The Company agreed to issue Cline US\$50,000 in fully paid ordinary shares on listing of the Company on an exchange and, if the Company exercises its option to extend payment of the Second Instalment by a further 6 months, US\$25,000 in fully paid ordinary shares based on the 30-day volume-weighted average price immediately prior to the date of extension.

On 13 December 2019, the Company extinguished its obligations to Cline under the Share Sale & Purchase Agreement with the payment of A\$253,478. Further, on 25 July 2020, the Company and Cline agreed terms for the Company to acquire its 25% equity position in IOCM and convert its rights under the Deeds of Variation to the Share Sale & Purchase Agreement by way of the issue of fully paid ordinary shares.

In October 2017, the Ministry of Mines lifted the moratorium on the renewal, transfer and transformation of existing tenements; however, the progress in addressing the backlog has been slow. Malagasy counsel for the Company has concluded that the renewal and transformation applications submitted to the BCMM for permits held by the Company and confirmed that in each case the application was made in a form, which was acceptable to the BCMM and is deemed to hold beneficial title to these tenements. The Company has paid the BCMM all *frais d'administration annuel* (annual administration fees) up to and including 2020 from the date of original grant. Malagasy administrative law provides that where a private party has complied with its obligations in good faith and the

State (BCMM and Ministere du Miner) has not completed their administrative responsibilities, the private party may rely on its existing rights and there is an assumption that these will continue to subsist in the absence of justified refusal.

The BCMM advised tenement holders that it would not cancel any tenements that renewal fees became in arrears as a result of the failure of the government to grant, renew or transform tenements. The decision by the Company was consistent with other miners and explorers who have demanded the government address the shortcomings of previous administrations. On 31 December 2020 and 5 January 2021, the Company paid all outstanding annual administration fees (*frais d'administration annuel*) for the years 2019 and 2020.

The Company has sighted BCMM approved renewals and transformation of its tenements. The documents are now awaiting ministerial seal which is expected to be issued in accordance with the Mining Code.

The value of the Group's exploration and evaluation expenditure is dependent on the ability of the Company to obtain further funding to enable it to:

- continue exploration in the areas of interest;
- meet tenement renewal payments to continue to satisfy rights to tenure; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively by their sale.

NOTE 15: PROPERTY PLANT AND EQUIPMENT

	31 DECEMBER	
	2020 \$	2019 \$
Cost		
Opening balance	12,831	-
Additions	2,726	12,831
Exchnage fluctuation	(565)	-
Closing balance	14,992	12,831
Accumulated depreciation		
Opening balance	-	-
Depreciation	4,800	-
Closing balance	4,800	-
Net carrying value	10,192	12,831

NOTE 16: PAYABLES-CURRENT

	31 DECEMBER	
	2020 \$	2019 \$
Trade payables	256,879	100,436
Other payables	-	674,925
	256,879	775,361

Trade payables are non-interest bearing and are normally settled on 30-day terms. Other payables are also non-interest bearing and have an average term of 30 days.

Due to the short-term nature of these payables, the carrying amounts recorded in the financial statements for trade payables.

The amount disclosed as Other payables as at 31 December 2019 includes \$636,601 which relates to the amounts due to directors of the Company from 1 July 2016 to 30 June 2020 which was extinguished by the issue of fully paid ordinary shares in the Company at 2 cents per share (on a pre-Consolidation basis and 22 cents per share on a post-Consolidation basis) by way of resolutions approved by shareholders at a general meeting of shareholders on 25 March 2020.

NOTE 17: PROVISIONS-CURRENT

	31 DECEMBER	
	2020 \$	2019 \$
Annual leave	14,749	23,857

NOTE 18: BORROWINGS AND OTHER LIABILITIES

	31 DECEMBER	
	2020 \$	2019 \$
Opening balance	-	240,000
Convertible notes issued	-	100,000
Finance cost	-	20,000
Convertible notes converted into fully paid ordinary shares	-	(360,000)
Closing balance	-	-

Pursuant to a Convertible Note instrument Tranche 1, Baker Steel Resources Trust provided the Company with A\$200,000 for working capital in July 2017 with associated borrowing costs of \$40,000. The loan instrument was converted, on shareholder approval, into fully paid ordinary shares of 1 cent per share (on a pre-Consolidation basis and 11 cents per share on a post-Consolidation basis).

On 3 June 2019, the Company and Baker Steel Resources Trust agreed to a Tranche 2 convertible note facility of \$100,000 with associated borrowing costs of \$20,000 on the same terms and conditions as Tranche 1.

On 13 August 2019, Baker Steel Resources Trust exercised its rights to convert its convertible note Tranche 1 and Tranche 2 into 36,000,000 fully paid ordinary shares in the Company (on a pre-Consolidation basis and 3,272,727 fully paid ordinary shares on a post-Consolidation basis).

NOTE 19: DEFERRED CONSIDERATION**Current**

	31 DECEMBER	
	2020 \$	2019 \$
Cline Mining Corporation	-	161,802

On 16 June 2014, the Company acquired Iron Ore Corporation of Madagascar sarl pursuant to a Share Sale and Purchase Agreement and the simultaneous execution of a Shareholders Agreement with Cline Mining Corporation. Under the terms and conditions of the Share Sale and Purchase Agreement, the Company paid Cline US\$25,000 on execution of the above-mentioned agreement and agreed to pay, on 17 June 2018, a further US\$175,000.

The Company has accounted for the amount due to Cline on a net present value basis using a discount rate of 4% and adjusting the US dollar amount for exchange fluctuation.

On 27 October 2017, the Company renegotiated its obligations to Cline through an extension to the payment of the Second Instalment due under the Share Sale and Purchase Agreement. The Second Instalment was extended to 17 June 2018 with an option for the Company to extend the payment date a further 6 months to 17 December 2018.

The Company has agreed to issue Cline US\$50,000 in fully paid ordinary shares on listing of the Company on an exchange and, if the Company exercises its option to extend payment of the Second Instalment by a further 6 months, US\$25,000 in fully paid ordinary shares based on the 30-day volume-weighted average price immediately prior to 17 June 2018.

The Company and Cline entered into a further extension to the settlement of the Second Instalment due under the Share Sale and Purchase agreement on 12 December 2018 for a period of 12 months for US\$37,500 in fully paid ordinary shares based on the 30-day volume-weighted average price immediately prior to 12 December 2019.

On 13 December 2019, the Company extinguished its obligation to Cline (principal excluding interest and penalties) under the Share Sale and Purchase Agreement with the cash payment of \$253,478 and agreed on 25 July 2020 to acquire its 25% equity interest in Iron Ore Corporation of Madagascar sarl as well as extinguish its obligation to Cline under the Deeds of Variation through the issue of fully paid ordinary shares in the Company at 2.5 cents per fully paid ordinary shares (on a pre-Consolidation basis and 27.5 cents on a post-Consolidation basis).

NOTE 20: CAPITAL

(a) Equity

	NUMBER	\$
At 31 December 2018	191,683,855	15,971,191
Issue of shares		
Conversion of convertible note Tranche 1 and 2 by Baker Steel Resources Trust	36,000,000	360,000
Equity raising costs	4,027,685	70,082
Settlement of creditors	2,349,310	40,878
Share Placement	144,279,081	2,510,456
	186,656,076	2,981,416
Equity raising costs	-	(119,859)
	186,656,076	2,861,557
At 31 December 2019	378,339,931	18,832,748
Issue of shares		
Share Placement (previously recorded as other contributed equity)	12,752,471	221,893
Shares issued to directors in lieu of remuneration for June 2017- June 2019	31,830,000	636,600
Shares issued on acquisition of non-controlling interest in IOCM	10,796,400	269,910
	433,718,802	19,961,151
Share consolidation	(394,289,820)	-
Adjusted share capital	39,428,982	19,961,151
IPO shares	20,000,000	5,000,000
Shares issued to Harbury Advisory Pty Ltd pursuant to Letter of Engagement for IPO	200,000	50,000
Exercise of options by IPO subscribers	423,000	126,900
	60,051,982	25,138,051
Equity raising costs	-	(670,608)
At 31 December 2020	60,051,982	24,467,443

Ordinary shares

Ordinary shares have the rights to receive dividends as declared and, in the event of winding up, participate in the proceeds from the sale of all surplus assets in proportion to the number of, and amounts paid up on, the shares held.

Each fully paid ordinary share carries one vote.

Ordinary shares issued to shareholders since incorporation have had no par value.

NOTE 20: CAPITAL CONTINUED

(b) Options

The total number of options over ordinary shares on issue at balance date:

	31 DECEMBER	
	2020 NO.	2019 NO.
Unlisted options over ordinary shares		
Exercisable	9,447,750	-
Escrow	2,244,750	-
Closing balance	11,692,500	-

(c) Capital management

(i) Capital management policy

The objectives of the board of directors when managing capital is to ensure that the Group can fund its exploration and corporate activities as a going concern in order to benefit stakeholders.

The business of the Group is an early, stage mineral exploration. As a consequence, the Group does not have access to credit facilities and therefore, its primary source of funding is equity raisings. The capital risk management for the Group is to ensure it has sufficient working capital in order to ensure its exploration tenements obligations in Madagascar can be extinguished as and when required and ensure its corporate obligations are minimised.

(ii) Working capital position

The working capital position of the group as at 31 December 2020 and 31 December 2019 was as follows:

	31 DECEMBER	
	2020 \$	2019 \$
Cash and cash equivalents	4,769,912	2,091,819
Trade and other receivables	31,525	14,419
Financial assets	2,326	2,807
Trade and other payables	(256,879)	(775,361)
Provisions	(14,749)	(23,857)
Deferred consideration	-	(161,802)
	4,532,135	1,148,025

(iii) Current assets to current liabilities ratio

The current assets to current liabilities as at 31 December 2020 and 31 December 2019 was as follows:

	31 DECEMBER	
	2020 \$	2019 \$
Current assets	4,803,763	2,109,045
Current liabilities	271,628	961,020
Current assets:current liabilities	17.69	2.19

NOTE 21: OTHER CONTRIBUTED EQUITY

	31 DECEMBER	
	2020 \$	2019 \$
Opening balance	221,893	-
Proceeds for share issue received in advance	4,800	221,893
Transfer to share capital	(221,893)	-
Closing balance	4,800	221,893

Other contributed equity relates to monies received from investors for shares have not been issued as at balance date.

NOTE 22: TRANSLATION RESERVE

	31 DECEMBER	
	2020 \$	2019 \$
Opening balance at start of financial year	(161,038)	(110,488)
Translation of foreign currency financial statements into the functional currency	(102,646)	(50,550)
Closing balance at end of financial year	(263,684)	(161,038)

NOTE 23: SHARE-BASED PAYMENTS

(a) Shares issued to directors in lieu of services

Between 2017 and 2019, the Company did not pay any form of remuneration to its directors. The board of directors agreed that until such time as the Company had raised a minimum of \$2,500,000 no remuneration should be paid to directors. Following the completion of an equity raising in August 2019 that exceeded the minimum raising set by the board of directors as described above, the board of directors review its remuneration policy.

To preserve cash balances, the board of directors put to shareholders at a general meeting on 25 March 2020 a number of resolutions to issue fully paid ordinary shares to directors, with the issue of shares subject to continuation of employment as either an executive or non-executive director for two years and other restrictions set by any security exchange with which the Company would pursue a listing. In total, shareholders issued directors (including directors who had resigned or were removed by shareholders as directors) 31,830,000 fully paid ordinary shares at a premium of 15% to the last equity raising price. The shares issued reflected remuneration for the period 1 January 2017 to 30 June 2019. As at 31 December 2019, the Company accrued the value of the shares to be put to shareholders on 25 March 2020 at a general meeting. The shares assigned to Messrs PG Bibby and SL Fabian for the above-mentioned period reflected their roles in equity raising internationally as well as operational activities.

The shares issued to Directors on a post consolidation basis are set out in the table below:

	31 DECEMBER	
	2020 SHARE NO.	2020 \$
PG Bibby	1,363,636	300,000
MA Burrige	136,364	30,000
SL Fabian	711,818	156,600
JM Madden	409,091	90,000
DL Wu	272,727	60,000
	2,893,636	636,600

(b) Total number of options on issue

The Company issued 10,000,000 options pursuant to the terms and conditions of the IPO and 2,244,750 options to Harbury Advisors Pty Ltd under the terms and conditions of the Letter of Appointment. The number of options outstanding as at 31 December 2020 are as follows:

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	OPTION NUMBER
7 December 2020	7 December 2022 (IPO Options)	\$0.3000	9,561,000
7 December 2020	7 December 2022 (Escrow Options)	\$0.3000	2,244,750
			11,805,750

(c) Share-based payments reserve

	31 DECEMBER	
	2020 \$	2019 \$
Opening balance at start of the financial year	-	-
Fair value of options over ordinary shares granted pursuant to a Letter of Engagement	268,111	-
Closing balance at end of financial year	268,111	-

NOTE 23: SHARE-BASED PAYMENTS CONTINUED

(c) Share-based payments reserve continued

Pursuant to a Letter of Engagement with Harbury Advisors Pty Ltd, the Company granted Harbury 2,244,750 options over ordinary shares with an exercise price of 30 cents per option over ordinary share and an expiry date two years from the date of the completion of the IPO raising.

The fair value of the options over ordinary shares granted to Harbury have been valued using a Black-Scholes methodology:

	31 DECEMBER	
	2020 \$	2019 \$
Exercise price	30 cents	-
Term	2 years	-
Share price at date of grant	25 cents	-
Risk-free rate	0.25%	-
Volatility	100%	-
Model used	Black-Scholes	-
Value per share	11.94 cents	-
Number of options	2,244,750	-
Total value	268,111	-

The weighted average remaining contractual life for the options over ordinary shares outstanding as at 31 December 2020 was 1.96 years (2019: nil).

The weighted average fair value of options over ordinary shares granted during the financial year was 11.94 cents (2019: nil).

The following table sets out the number and weighted average exercise prices of, and movements in, options over ordinary shares during the financial year.

	31 DECEMBER 2020		31 DECEMBER 2019	
	NUMBER OF OPTIONS	WEIGHTED AVERAGE PRICE	NUMBER OF OPTIONS	WEIGHTED AVERAGE PRICE
Opening balance	-	-	-	-
Options:				
Granted	2,244,750	0.1194	-	-
Cancelled	-	-	-	-
Expired	-	-	-	-
Closing balance	2,244,750	0.1194	-	-

The Group has not issued any options over ordinary shares to employees.

NOTE 24: OTHER RESERVES

	31 DECEMBER	
	2020 \$	2019 \$
Opening balance at start of financial year	-	-
Transaction with non-controlling interest	26,710	-
Closing balance at end of the financial year	26,710	-

On 25 July 2020, the Company completed negotiations for the acquisition of the 25% equity interest held by Cline Mining Corporation, an entity incorporated under the laws of the Commonwealth of British Columbia, of Iron Ore Corporation of Madagascar sarl, an entity incorporated in the Republic of Madagascar.

Pursuant to the Shareholders Agreement, the Group is required to fund all expenditures by way of loans to Iron Ore Corporation Of Madagascar sarl until the payment of the Second Instalment set out in the Share Sale and Purchase Agreement and assign 25% of the loans made to Cline Mining Corporation.

Following the payment of the Second Instalment, both shareholders of IOCM must fund their share of expenditure by way of interest-free loans in proportion to their respective interests in the uncertificated shares of IOCM. The Group extinguished its obligation to pay the Second Instalment on 13 December 2020 and accordingly, Cline is required to fund its share of expenditure from 1 January 2020.

Under the Shareholders Agreement if a party fails to fund its share of the Cash Call made by IOCM to fund its expenditure, the non-defaulting shareholder can serve a Notice of Default on the defaulting shareholder and, if the defaulting shareholder does not rectify its default within 60 days, the non-defaulting shareholder is entitled to exercise its right to dilute the defaulting shareholder by 50% of each default. Where the defaulting shareholder's equity interest falls below 5%, the defaulting shareholder is required to assign its equity interest and its shareholder loans to the non-defaulting shareholder for zero consideration and accordingly, will have no rights to any assets or obligation for any liabilities in IOCM.

Cline had informed the Company that it was not in a position to fund its share of Cash Calls made by IOCM in accordance with the Shareholders Agreement on 13 December 2019 which meant that the Company continued to fund expenditure for and on behalf of Cline through to completion of the negotiation for the acquisition of the 25% equity interest in IOCM.

	FAIR VALUE
	\$
Fair value of shares issued to Cline for acquisition of 25% equity interest in IOCM	108,108
Share capital	2,552
Reserves	62,893
Accumulated losses	(68,091)
	(2,646)
Loans contributed by the Company and assigned to Cline pursuant to Share sale and Purchase Agreement	137,464
Carrying value of non-controlling interest	134,818
Reserve recognised on transaction with non-controlling interest	(26,710)

NOTE 25: ACCUMULATED LOSSES

	31 DECEMBER	
	2020 \$	2019 \$
Balance at start of the financial year	(14,734,436)	(13,788,453)
Net loss for the year	(1,456,540)	(945,983)
Balance at end of the financial year	(16,190,976)	(14,734,436)

NOTE 26: NON-CONTROLLING INTERESTS

	31 DECEMBER	
	2020 \$	2019 \$
Share capital	-	2,552
Reserves	-	62,893
Accumulated losses	-	(68,091)
	-	(2,646)
Loans contributed by AKORA Resources Limited and assigned to Cline Mining Corporation	-	137,464
	-	(134,818)

On 25 July 2020, the Company acquired the non-controlling interest held by Cline (refer to Note 24).

NOTE 27: LIST OF CONTROLLED ENTITIES

The financial statements include the financial statements of the parent entity and the controlled entities listed in the following table:

NAME	COUNTRY OF INCORPORATION	% EQUITY INTEREST	
		2020	2019
Malagasy Holdings (Bekisopa) Pty Limited	Australia	100	100
- Iron Ore Corporation of Malagasy sarl	Madagascar	100	75
Malagasy Holdings (Tratramarina) Pty Limited	Australia	100	100
- Universal Exploration			
Madagascar sarl	Madagascar	100	100

NOTE 28: EXPLORATION COMMITMENTS

	31 DECEMBER	
	2020 \$	2019 \$
Exploration annual administration fees	314,676	407,777
Payable:		
no later than 1 year	69,928	70,306
between 1 year and 5 years	244,748	253,103
greater than 5 years	-	84,368
	314,676	407,777

Exploration and evaluation expenditure commitments

Under 99-022 Mining Code (portant Code minier), the Group does not have any expenditure commitments on its tenements other than the annual renewal fees (frais d'administration annuel) which are payable to the Madagascar Mining Cadastre Bureau (Bureau du Cadastre Minier de Madagascar).

The annual renewal fees for Ambodilafa tenements, held by Mineral Resources of Madagascar sarl, an entity controlled by Jubilee Platinum plc, are approximately \$15,000 for the 2021 renewal period. Mineral Resources of Madagascar sarl is the entity through which the Company has earned its 90% equity interest in the Commodities discovered on the Ambodilafa tenements. The Company also holds reversal rights whereby it can earn up to 49% of LME Commodities discovered on the Ambodilafa tenements through contributing to expenditure.

NOTE 29: FINANCIAL OBLIGATIONS OF THE COMPANY AND ITS CONTROLLED ENTITIES

The Company

Ambodilafa tenements

On 22 August 2012, the Company entered into a Farm-in Agreement with Jubilee Platinum plc which entitled the Company to earn a 90% interest in commodities other than platinum group elements, London Metal exchange traded metals and chrome.

Under the Farm-in Agreement, the Company will earn its interest in the commodities in three stages:

- | | |
|--|-----|
| • Stage 1 US\$1.0 million expenditure | 51% |
| • Stage 2 US\$1.0 million expenditure (cumulative) | 81% |
| • Stage 3 US\$1.0 million expenditure (cumulative) | 90% |

The Company is required to give notice to Jubilee each time it has expended US\$1.0 million under the Farm-in Agreement. Jubilee has 30 days from the date of notice to inform the Company whether it wishes to take the unearned interest available to it through jointly funding all future work programmes. If Jubilee does not elect to take the unearned interest, the Company has automatic rights to move the next stage and earn additional interest in the commodities. Under the Farm-in Agreement the Company will have sole and exclusive rights to explore the Ambodilafa tenements in each stage.

Where the Company has earned a 90% interest in the commodities and Jubilee does not elect to take up the unearned interest, the Company has a right to buy-out the unearned interest for \$1.5 million through either shares or cash or a royalty or a combination of these methods.

As at balance date, 31 December 2020 the Company had earned an 90% equity interest in the Ambodilafa tenements. The Company has advised Jubilee that it would elect to buy-out the residual interest by way of a royalty; however, as at the date of this report the Company and Jubilee have not formalised this arrangement.

Bekisopa tenements

On 16 June 2014, the Company acquired Iron Ore Corporation of Madagascar sarl pursuant to a Share Sale and Purchase Agreement and the simultaneous execution of a Shareholders Agreement with Cline Mining Corporation. Under the terms and conditions of the Share Sale and Purchase Agreement, the Company paid Cline US\$25,000 on execution of the above-mentioned agreement and agreed to pay, on 17 June 2014, a further US\$175,000. In addition, the Company agreed to pay outstanding annual administration fee (frais d'administration annuel) to the Bureau of Cadastre Mines of Madagascar (Bureau du Cadastre Minier de Madagascar or BCMM) as well as settling outstanding liabilities in Madagascar.

On 27 October 2016, the Company renegotiated its obligations (principal excluding interest and penalties) due to Cline Mining Corporation for the Bekisopa DSO project. Under the revised

terms the Company deferred its outstanding obligations from June 2017 to June 2018 on the issue of US\$50,000 in shares in the Company on its listing and an option to extend the outstanding obligation to December 2018 for a further US\$25,000 in shares.

On 13 December 2019, the Company extinguished its obligation to Cline under the Share Sale and Purchase Agreement with the payment of A\$253,478. Further, on 25 July 2020 the Company agreed with Cline to acquire its remaining 25% equity interest in IOCM as well as convert its rights to fully paid ordinary shares under the Deeds of Variation at a price of 2.5 cents per fully paid ordinary shares (on a pre-Consolidation basis and 27.5 cents per ordinary share on a post-Consolidation basis).

Universal Exploration Madagascar sarl

On 23 June 2011, Universal Exploration Madagascar sarl (UEM) acquired two Reserved Licences for Small Mining Developers (du Permis Reserve Aux Petits Exploitants ou Permis) prospective for magnetite (the Tratramarina West tenements) by paying US\$200,000 and agreeing to pay, on the election of UEM, US\$250,000 (First Option) and US\$350,000 (Second Option) in 2012 and 2013, respectively, if UEM sarl elects to continue to explore and expend monies on the permits. In addition, if Universal Exploration Madagascar sarl undertakes a Mine Development that incorporates magnetite ore sourced from the Tratramarina West tenements, a royalty of 0.35% will be paid on the net sales revenue generated on magnetite concentrate produced from the Tratramarina West prospects. The Tratramarina West tenements are adjacent to the Tratramarina East.

UEM has exercised both its First Option and its Second Option.

Following the exercise of the Second Option, the outstanding obligation of UEM under the Mining Permit Sale Agreement is a royalty equal to 0.35% of net sales revenue.

NOTE 30: EVENTS AFTER BALANCE DATE

Following the end of the financial year a number of subscribers to the IPO have exercised their options over ordinary shares. As shareholders are aware, the Company listed on the ASX raising \$5,000,000 where the Company offered subscribers 1 option for every two shares subscribed. In total, the Company issued 20,000,000 ordinary shares at 25 cents per ordinary share and 10,000,000 options over ordinary shares exercisable at 30 cents with an expiry date of 2 years from the date of issue.

As at the date of this report, 964,704 options have been exercised by subscribers to the IPO with 525,704 exercised since balance date. In total, the Company has received \$289,411 in funds from the exercise of options with \$157,711 received since balance date.

NOTE 31: RELATED PARTY DISCLOSURE**Directors**

The directors of the parent entity during the financial year and the prior period were:

PG Bibby
 MA Burrridge (resigned 5 May 2019)
 SL Fabian
 JM Madden
 MH Stirzaker (appointed 22 August 2020)
 DL Wu (removed on 23 August 2019)

Mr MA Burrridge is Managing Partner for Baker Steel Capital Managers. One of the funds run by Baker Steel is the Baker Steel Resources Trust and during the course of the financial year ended 31 December 2019 the Group received a convertible note facility from Baker Steel Resources Trust of A\$200,000 with an accompanying borrowing fee of A\$40,000. At that time, Mr MA Burrridge did not participate in the Investment Committee or sit on the board of directors of Baker Steel Resources Trust.

The board of directors agreed in October 2016 that they would not seek any emoluments from the Company until such time as it raised a minimum of \$2.5 million and, if that figure was achieved, any amount agreed to be paid to directors would be subject to shareholder approval and settled by way of the issue of fully paid ordinary shares. On 25 March 2020, shareholders approved the issue of 31,830,000 fully paid ordinary shares at 2 cents per ordinary share (on a pre-Consolidation basis and 22 cents per ordinary share on a post-Consolidation basis) in accordance with the process agreed by the board of directors in 2016.

NOTE 32: CASH FLOW STATEMENT RECONCILIATION

	31 DECEMBER	
	2020 \$	2019 \$
Net loss after tax	(1,456,540)	(914,053)
<i>Adjusted for:</i>		
Depreciation	4,800	-
Exchange fluctuation	134,662	56,459
Finance costs	-	20,000
Provisions	(9,013)	2,785
Share-based payments	636,601	40,878
<i>Changes in other current assets and current liabilities:</i>		
Current assets		
Receivables	(17,106)	(8,680)
Other	-	36
Current liabilities		
Payables	(471,521)	543,674
	(1,178,117)	(258,901)

NOTE 33: KEY MANAGEMENT PERSONNEL**Details of key management personnel****Chief Executive officer and Managing Director**

PG Bibby

Chief Financial Officer and Company Secretary

JM Madden

Non-executive directors

MH Stirzaker (appointed 22 August 2020)

SL Fabian

MA Burrridge (resigned 5 May 2019)

DL Wu (removed on 23 August 2019)

Compensation of key management personnel

Compensation paid to key management personnel is as follows:

	31 DECEMBER	
	2020 \$	2019 \$
Short-term employee benefits	485,864	101,250
Post-employment benefits	30,303	-
Other long-term benefits	-	-
Equity based payments	-	636,600
	516,167	737,850

The board of directors agreed on October 2016 that they would not seek any emoluments from the Company until such time as it raised a minimum of \$2.5 million and, if that figure was achieved, any amount agreed to be paid to directors would be subject to shareholder approval and settled by way of the issue of fully paid ordinary shares. On 25 March 2020, shareholders approved the issue of 31,830,000 fully paid ordinary shares at 2 cents per ordinary in accordance with the process agreed by the board of directors in 2016. The remuneration for 2019 included cash remuneration of \$78,750 and non-cash remuneration of \$636,600 (which was accrued as at 31 December 2019).

There were no other transactions with Key Management Personnel or their related parties as 31 December 2019 and 2020,

NOTE 34: PARENT ENTITY

The following table sets out selective financial information relating to AKORA Resources Limited the parent entity of the Group:

	31 DECEMBER	
	2020 \$	2019 \$
Current assets	4,708,324	2,088,353
Financial assets	3,799,817	2,205,632
Total assets	8,508,141	4,293,985
Current liabilities	195,737	844,523
Non-current liabilities	-	-
Total liabilities	195,737	844,523
Net assets	8,312,404	3,449,462
Issued and paid-up capital	24,463,443	18,832,748
Other contributed equity	4,800	221,893
Reserves	268,111	-
Accumulated losses	(16,423,950)	(15,605,179)
Financial assets		
Shares in controlled entities	1,046,112	1,046,112
Loans to controlled entities	2,753,705	1,159,520
Carrying value	3,799,817	2,205,632
Financial performance		
Loss for year	(818,771)	(954,835)
Other comprehensive income/ (loss)	-	-
Total comprehensive loss	(818,771)	(954,835)
Guarantees entered into by the parent entity for debts of controlled entities	Nil	Nil

NOTE 35: AUDITOR'S REMUNERATION

	31 DECEMBER	
	2020 \$	2019 \$
Amounts paid or due for payable to Bentleys		
Audit or review of the financial report	30,000	20,000
Half-year review	14,000	-
Other services	20,760	-
	64,760	20,000

NOTE 36: CONTINGENT LIABILITIES

The Company has no contingent liabilities, other than that disclosed in Note 29.

NOTE 37: COMPANY DETAILS

The registered office and principal place of the Company is:

211 Mcllwraith Street, Princes Hill, Victoria Australia

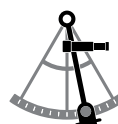
Telephone: +61 (0)3 9381 0859

Website: www.akoravy.com

E-mail: info@akoravy.com



Directors' Declaration



AKORA
Resources Limited

ACN 139 847 555

In accordance with a resolution of the board of directors of Akora Resources Limited, I state that:

In the opinion of the board of directors:

- (a) financial statements, the accompanying notes to the financial statements and the additional disclosures set out in the Directors' Report are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2020 and of their performance for the period ended on that date; and
 - (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and Corporations Regulations 2001;
- (b) the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standard Board, as disclosed in Note 2(a); and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed on behalf of the Board of Directors

MH Stirzaker

Chairman

Date this 11 March 2021

211 Mcllwraith Street North Carlton Victoria, Australia 3054
p: +61 3 9381 0859 e: info@akoravvy.com

Independent Auditor's Report



Bentleys Audit & Corporate
(WA) Pty Ltd

London House

Level 3,

210 St Georges Terrace

Perth WA 6000

PO Box 7775

Glosters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500

F +61 8 9226 4300

bentleys.com.au

Independent Auditor's Report To the Members of Akora Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Akora Resources Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2020 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a).

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 Consolidated Entity 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.



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Independent Auditor's Report

To the Members of Akora Resources Limited (Continued)



Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
<p>Exploration and Evaluation</p> <p>As disclosed in note 14 to the financial statements, as at 31 December 2020, the Consolidated Entity's capitalised exploration and evaluation expenditure was carried at \$3,770,077.</p> <p>The recognition and recoverability of exploration and evaluation was considered a key audit matter due to:</p> <ul style="list-style-type: none"> – The carrying value represents a significant asset of the Consolidated Entity, we considered it necessary to assess whether facts and circumstances existed to suggest that an impairment trigger event has occurred; and – Determining whether impairment indicators exist involves significant judgement by management. 	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> – Assessing management's determination of its areas of interest for consistency with the definition in AASB 6 <i>Exploration and Evaluation of Mineral Resources</i> ("AASB 6"); – Assessing the Consolidated Entity's rights to tenure for a sample of tenements; – Testing the Consolidated Entity's exploration and evaluation costs for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Consolidated Entity's accounting policy and the requirements of AASB 6; – Testing the status of the Consolidated Entity's tenure and planned future activities, reading board minutes, review of Independent Geologist Reports, Solicitor's Tenement Reports and enquiries with management we assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised exploration costs: <ul style="list-style-type: none"> – The licenses for the rights to explore expiring in the near future or are not expected to be renewed; – Substantive expenditure for further exploration in the area of interest is not budgeted or planned; – Decision or intent by the Consolidated Entity to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and – Data indicating that, although a development in the specific area is likely to proceed, the carrying

Independent Auditor's Report

To the Members of Akora Resources Limited (Continued)



Key audit matter	How our audit addressed the key audit matter
	<p>amount of the exploration asset is unlikely to be recorded in full from successful development or sale.</p> <ul style="list-style-type: none"> – We also assessed the appropriateness of the related disclosures in note 14 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 31 December 2020, 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 Note 2(a), the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

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

Independent Auditor's Report

To the Members of Akora Resources Limited (Continued)



Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with 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 Consolidated Entity'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 Consolidated Entity'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 Consolidated Entity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in

Independent Auditor's Report

To the Members of Akora Resources Limited (Continued)



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

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2020. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 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.

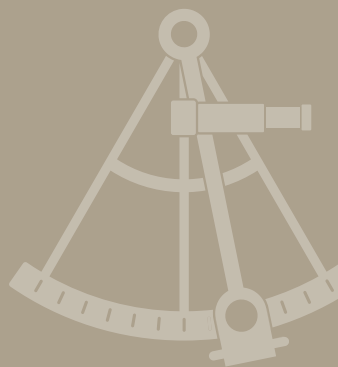
Auditor's Opinion

In our opinion, the Remuneration Report of Akora Resources Limited, for the year ended 31 December 2020, complies with section 300A of the Corporations Act 2001.

BENTLEYS
Chartered Accountants

DOUG BELL CA
Partner

Dated at Perth this 11th day of March 2021



ASX Information

DISTRIBUTION OF SHAREHOLDINGS AS AT 5 MARCH 2021

RANGE	UNITS	% UNITS
1 – 1,000	9,305	0.02%
1,001 – 5,000	494,671	0.82%
5,001 – 10,000	1,070,321	1.77%
10,001 – 100,000	10,066,081	16.61%
100,001 and over	48,953,314	80.79%
Rounding Total	60,593,692	100.00%

UNMARKETABLE PARCELS

	MINIMUM PARCEL	HOLDERS	UNITS
Minimum \$500.00 parcel at \$0.40 per unit	-	-	-

VOTING RIGHTS

The voting rights attached to each class of equity security are as follows:

Ordinary shares Each ordinary share is entitled to one vote when a poll is called, otherwise each member present meeting or by proxy has one vote on a show of hands.

COMPANY SECRETARY

The name of the Company Secretary is John Madden.

PRINCIPAL REGISTERED OFFICE

As disclosed in Note 37 Company Details of the Annual Report

Registers of securities are held at the following address

Link Market Services
Tower 4,
727 Collins Street
Melbourne Victoria Australia 6000
Telephone: 1300 554 474

TOP TWENTY SHAREHOLDERS AS AT 5 MARCH 2021

RANK	NAME	NUMBER	%
1	EVANACHAN LIMITED	7,728,788	12.76%
2	HSBC GLOBAL CUSTODY NOMINEES UK LIMITED	5,091,910	8.40%
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,808,950	6.29%
4	TRAVIS ANDERSON	3,473,855	5.73%
5	JOHN CHARLES TUMAZOS	3,353,486	5.53%
6	PACIFIC ROAD CAPITAL MANAGEMENT GP II	2,504,506	4.13%
7	PAUL GERARD BIBBY	1,389,759	2.29%
8	CLINE MINING CORPORATION	981,492	1.62%
9	KYRIACO BARBER PTY LTD	900,000	1.49%
10	STEPHEN LESLIE FABIAN	893,636	1.47%
11	CITICORP NOMINEES PTY LIMITED	801,608	1.32%
12	EDWARD PENNOCK	749,738	1.24%
13	JOHN MICHAEL MADDEN	662,344	1.09%
14	DHEERAJ SHARMA	626,611	1.03%
15	MA BAYRAM LLAMAS & EL GARCIA BAYRAM	583,911	0.96%
16	ALAN MERCER	524,017	0.86%
17	JMJW SUPER PTY LTD	514,682	0.85%
18	NATISONE PTY LTD	500,000	0.83%
19	TERENCE WAYNE ENGLAND	500,000	0.83%
20	CAITHNESS RESOURCES PTY LTD	471,760	0.78%
Top 20 Shareholders		36,061,053	59.51%
Remaining shareholders		24,532,639	40.49%
Total shares		60,593,692	100.00%

TOP TWENTY OPTION HOLDERS AS AT 5 MARCH 2021

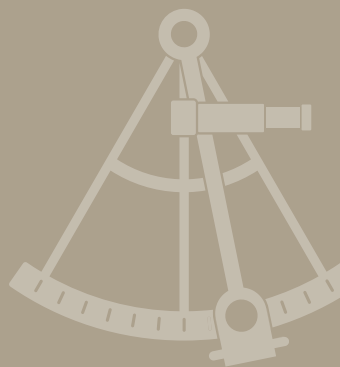
RANK	NAME	NUMBER	%
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,900,000	16.71
2	MR TRAVIS ANDERSON	481,000	4.23
3	HAMISH MCCATHIE	400,000	3.52
4	CANARY CAPITAL PTY LTD	400,000	3.52
5	KLIP PTY LTD	300,000	2.64
6	VADLAMUDI MEDICAL PTY LTD	290,000	2.55
7	JOHN CHARLES TUMAZOS	288,000	2.53
8	SIZZ PTY LTD	280,000	2.46
9	NATISONE PTY LTD	250,000	2.20
10	NETWEALTH INVESTMENTS LIMITED	210,000	1.85
11	PAUL BRYAN	200,000	1.76
12	TOM BLEAKLEY	200,000	1.76
13	RUPERT FRANCIS CHAMPION DE CRESPIGNY	197,375	1.74
14	HARBURY ADVISORS PTY LTD	197,375	1.74
15	MARCO GIUSTINO LONGO	174,000	1.53
16	ATLANTIS MG PTY LTD	174,000	1.53
17	EDWARD PENNOCK	136,000	1.20
18	FCG NOMINEES PTY LTD	100,000	0.88
19	VERT NOMINEES (WA) PTY LTD	100,000	0.88
20	MS CHUNYAN NIU	90,000	0.79
Top 20 option holders		6,367,750	56.00
Remaining option holders		5,002,296	44.00
Total options		11,370,046	100.00

TENEMENT HOLDING IN MADAGASCAR

TENEMENT NUMBER	NAME	GRANT DATE	EXPIRY	ADMINI- STRATION FEES PAID	BLOCKS	HOLDER	EQUITY
10340	Bekisopa PR	4/3/04	3/3/2014 Awaiting Renewal	31/12/20	64	Iron Ore Corporation Madagascar sarl	100%
27211	Bekisopa PR	16/10/07	23/1/2017 Awaiting Renewal	31/12/20	128	Iron Ore Corporation Madagascar sarl	100%
35827	Bekisopa PR	23/1/07	3/02/2019 Awaitng Renewal	31/12/20	32	Iron Ore Corporation Madagascar sarl	100%
3757	Bekisopa PRE	26/3/01	25/11/2019 Awaiting Transformation	31/12/20	16	Randriamananjara (Acquired under Sale & Purchase Agreement)	100%
6595	Samelahy PR	20/5/03	19/5/2013 Awaiting Renewal	31/12/20	190	Mineral Resources Madagascar sarl	100%
13011	Samelahy PR	15/10/04	14/10/2014 Awaiting Renewal	31/12/20	207	Mineral Resources Madagascar sarl	100%
21910	Samelahy PR	23/9/05	22/9/2015 Awaiting Renewal	31/12/20	60	Mineral Resources Madagascar sarl	100%
16635	Tratramarina East PR	23/9/05	22/9/2015 Awaiting Renewal	31/12/20	144	Universal Exploration Madagascar sarl	100%
16637	Tratramarina East PR	23/9/05	23/9/2015 Awaiting Renewal	31/12/20	48	Universal Exploration Madagascar sarl	100%
17245	Tratramarina East PR	10/11/05	9/11/2015 Awaiting Renewal	31/12/20	160	Universal Exploration Madagascar sarl	100%
18379	Tratramarina West PRE	11/1/06	11/1/2014 Awaiting Transformation	31/12/20	16	Rakotoarisoa (Acquired under Sale & Purchase Agreement)	100%
18891	Tratramarina West PRE	18/11/05	17/11/2013 Awaiting Transformation	31/12/20	48	Rakotoarisoa (Acquired under Sale & Purchase Agreement)	100%

Notes

1. PR means Permis du Recherche
2. PRE means Permis Reserve aux Petits Exploitants
3. The Company has paid the Bureau du Cadastre de Minier Madagascar all fraise d'administration annuel (annual administration fees) up to and including 2020 from the date of original grant Malagasy administrative law provides that where a private party has complied with its obligations in good faith and the State (BCMM and Ministere du Miner) has not completed their administrative responsibilities, the private party may rely on its existing rights and there is an assumption that these will continue to subsist in the absence of justified refusal.



Corporate Directory

DIRECTORS

- MH Stirzaker** Non-Executive Chairman
(appointed 22 August 2020)
- PG Bibby** Managing Director and Chief Executive Officer
- SL Fabian** Non-Executive Director
- JM Madden** Executive Director and Company Secretary

COMPANY SECRETARY

JM Madden

REGISTERED OFFICE

211 Mcllwraith Street
Princes Hill Victoria 3054

Telephone: 61-3-381 0859

Website: www.akoravy.com

Postal address

PO Box 337, Carlton North Victoria 3054

SHARE REGISTRY

Link Market Services

Tower 4, 727 Collins Street
Melbourne Victoria Australia 6000

Telephone: 1300 554 474

CORPORATE ADVISOR

Harbury Advisors Pty Ltd

AUDITOR

Bentleys

Level 3, London House
216 St Georges Terrace
Perth WA Australia

SOLICITORS

Dentons Australia

Level 17, 585 Collins Street
Melbourne Victoria Australia



AKORA Resources Limited
(ACN 139 847 555)

www.akoravy.com