

Australian Gold and Copper Ltd
ABN 65 633 936 526

Annual Report for the year ended 30 June 2020

Australian Gold and Copper Ltd
Directors' report
30 June 2020

The directors present their report, together with the financial statements, on Australian Gold and Copper Ltd (referred to hereafter as the 'company') for the year ended 30 June 2020.

Directors

The following persons were directors of Australian Gold and Copper Ltd from incorporation up to the date of this report, unless otherwise stated:

David Berrie
David Richardson
Andrea Betti (appointed 26 October 2020)
Malcolm Norris (resigned 30 October 2020)

Principal activities

During the year, the company had no principal activities.

Dividends

No dividends were paid or declared during the financial period. No dividend has been recommended.

Review of operations

The loss for the company after providing for income tax was \$3,500 (2019: \$3,500).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the financial period.

Matters subsequent to the end of the financial year

The impact of the Coronavirus (COVID-19) pandemic is ongoing. It is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

The Company's parent, Magmatic Resources Ltd (MAG) announced to the ASX on 18 September 2020 that the Company had entered into a binding term sheet to purchase two Central Lachlan gold/polymetallic projects from private company, New South Resources Pty Ltd (NSR). NSR will receive as consideration shares in the Company amounting to a 40% interest in pre the initial public offering (IPO) proposed to be undertaken by the Company for their Cargelligo and Gundagai projects (NSR Tenements). MAG will hold the remaining 60% in the Company pre-IPO.

Subject to MAG shareholder approvals, and all necessary regulatory approvals, compliance with ASX escrow requirements and waivers, MAG and NSR have the right to distribute in specie around 80% of their holdings in the Company to their respective shareholders.

The demerger of Moorefield from MAG and the NSR acquisitions remain contingent on MAG's shareholders approval, satisfactory tax ruling being received from the ATO regarding tax implications of a distribution in specie for MAG shareholders, necessary regulatory approvals, compliance with 2 ASX escrow requirements and waivers and will be considered at MAG's upcoming Annual General Meeting.

On 26 October 2020 Andrea Betti was appointed as Director and joint Company Secretary, with Malcolm Norris resigning as a director effective 30 October 2020.

There have been no other matters or circumstances that have arisen since 30 June 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

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30 June 2020

Environmental regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name: David Berrie
Title: Non-Executive Director, Company Secretary
Qualifications, experience and expertise: Mr. David Berrie has over 30 years' experience in the mining industry. Mr Berrie worked as a solicitor in the mining team at Clayton Utz before joining the international mining house Western Mining Corporation in 1987 with much of that time spent in the exploration division before transitioning over to BHP Billiton. Mr Berrie has extensive public company experience. Mr Berrie has a Bachelor of Laws and a Bachelor of Juris Prudence from the University of Western Australia.
Special responsibilities: Company Secretary

Name: David Richardson
Title: Non-Executive Director
Qualifications, experience and expertise: Mr Richardson has extensive international corporate experience including 15 years in Japan in Asia Pacific regional director positions with organisations such as Pacific Dunlop Ltd and Amcor Ltd. Expertise includes venture capital and finance.
Special responsibilities: Mr Richardson founded Magmatic Resources Limited (ASX:MAG) in 2014, listing it on the ASX in 2017 and is currently the Executive Chairman of Magmatic Resources Limited.
None

Name: Andrea Betti (appointed 26 October 2020)
Title: Non-Executive Director and Company Secretary
Qualifications, experience and expertise: Ms. Betti is an accounting and corporate governance professional with over 20 years experience in accounting, corporate governance, finance and corporate banking. She has acted as Chief Financial Officer and Company Secretary for companies in the private and publicly listed sectors, as well as senior executive roles in the banking and finance industry. Ms. Betti is a member of the Institute of Chartered Accountants in Australia and New Zealand and an associate member of the Governance Institute of Australia. Ms Betti is currently a Director of a corporate advisory company based in Perth that provides corporate and other advisory services to public listed companies. She has a Bachelor of Commerce, Graduate Diploma in Corporate Governance, Graduate Diploma in Applied Finance and Investment and a Masters of Business Administration.
Special responsibilities: None

Name: Malcolm Norris (resigned 30 October 2020)
Title: Non-Executive Director
Qualifications, experience and expertise: Mr. Malcolm Norris is a geologist with extensive experience in business management, asset transactions and exploration with a focus on porphyry discovery. He is currently the managing director of Sunstone Metals Limited (ASX:STM). Previously chief executive officer and managing director of SolGold Plc, Mr Norris holds a Bachelor of Science (Geology, Hons 1) from the University of Queensland, a Master of Science from the University of Western Ontario and a Master of Applied Finance (Kaplan).
Special responsibilities: None

Australian Gold and Copper Ltd
Directors' report
30 June 2020

Company secretary

David Berrie LLB has held the role of Company Secretary since incorporation on 5 June 2019. Andrea Betti was appointed as joint Company Secretary on 26 October 2020.

Meetings of directors

There were no directors' meetings held during the financial period. The company does not have a formally constituted audit committee or remuneration committee as the board considers that the company's size and type of operation do not warrant such committees.

Shares under option

There were no shares of Australian Gold and Copper Ltd under option at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of Australian Gold and Copper Ltd that were issued during the financial period and up to the date of this report on the exercise of options granted.

Indemnity and insurance of officers

The company has not, during or since the end of the financial period, indemnified or agreed to indemnify the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable.

During the financial period, the company has not paid a premium in respect of a contract to insure the directors or executives of the company or any related entity.

Whilst the Company is a wholly owned subsidiary of Magmatic Resources Limited, its directors, executives and officers are covered under the group insurance policy held by Magmatic Resources Ltd.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial period, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

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 immediately after this directors' report.

Auditor

BDO Audit (WA) Pty Ltd were appointed on 30 October 2020 as per section 327A of the Corporations Act 2001.

Non-audit services

No amounts were paid or payable to the auditor for non-audit services provided during the year ended 30 June 2020.

Australian Gold and Copper Ltd
Directors' report
30 June 2020

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Andrea Betti
Director
30 October 2020
Perth

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF AUSTRALIAN GOLD AND COPPER LIMITED

As lead auditor of Australian Gold and Copper Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



Dean Just
Director

BDO Audit (WA) Pty Ltd
Perth, 30 October 2020

Australian Gold and Copper Ltd
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General information

The financial statements cover Australian Gold and Copper Ltd. The financial statements are presented in Australian dollars, which is Australian Gold and Copper Ltd's functional and presentation currency.

Australian Gold and Copper Ltd is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 7
55 Hampden Road
Nedlands Perth WA 6009

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 October 2020. The directors have the power to amend and reissue the financial statements.

Australian Gold and Copper Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2020

	2020	2019
	\$	\$
Expenses		
Audit fees	(3,500.00)	(3,500.00)
Loss before income tax	<u>(3,500.00)</u>	<u>(3,500.00)</u>
Income tax expense	-	-
Loss after income tax expense for the period	<u>(3,500.00)</u>	<u>(3,500.00)</u>
Other comprehensive income	-	-
Total comprehensive loss for the period	<u>(3,500.00)</u>	<u>(3,500.00)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Australian Gold and Copper Ltd
Statement of financial position
As at 30 June 2020

	Notes	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	2	0.01	0.01
Total current assets		<u>0.01</u>	<u>0.01</u>
Total assets		<u>0.01</u>	<u>0.01</u>
Liabilities			
Current liabilities			
Trade and other payables	3	7,000.00	3,500.00
Total current liabilities		<u>7,000.00</u>	<u>3,500.00</u>
Total liabilities		<u>7,000.00</u>	<u>3,500.00</u>
Net assets/(liabilities)		<u>(6,999.99)</u>	<u>(3,499.99)</u>
Equity			
Issued capital	4	0.01	0.01
Accumulated losses		<u>(7,000.00)</u>	<u>(3,500.00)</u>
Total equity/(deficiency)		<u>(6,999.99)</u>	<u>(3,499.99)</u>

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

Australian Gold and Copper Ltd
Statement of changes in equity
For the year ended 30 June 2020

	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 5 June 2019	-	-	-
Loss after income tax expense for the period	-	(3,500.00)	(3,500.00)
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive loss for the period, net of tax	-	(3,500.00)	(3,500.00)
Contributions of equity	0.01	-	0.01
Balance at 30 June 2019	0.01	(3,500.00)	(3,499.99)
Balance at 1 July 2019	0.01	(3,500.00)	(3,499.99)
Loss after income tax expense for the year	-	(3,500.00)	(3,500.00)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive loss for the year, net of tax	-	(3,500.00)	(3,500.00)
Balance at 30 June 2020	0.01	(7,000.00)	(6,999.99)

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

Australian Gold and Copper Ltd
Statement of cash flows
For the year ended 30 June 2020

	Notes	2020 \$	2019 \$
Cash flow from financing activities			
Proceeds from issue of shares		-	0.01
Net cash received from financing activities		<u>-</u>	<u>0.01</u>
Net increase in cash and cash equivalents		-	0.01
Cash and cash equivalents at the beginning of the financial period		0.01	-
Cash and cash equivalents at the end of the financial period	2	<u>0.01</u>	<u>0.01</u>

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

Australian Gold and Copper Ltd
Notes to the financial statements
For the year ended 30 June 2020

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting year.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

None of the new or amended Accounting Standards and Interpretations are relevant to the company.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

In the opinion of the directors, there have been no other significant estimates or judgements used in the preparation of this financial report.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Australian Gold and Copper Ltd
Notes to the financial statements
For the year ended 30 June 2020

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Issued capital

Ordinary shares are classified as equity.

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

Australian Gold and Copper Ltd
Notes to the financial statements
For the year ended 30 June 2020

Going concern

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

As disclosed in the financial statements, the company has not commenced trading and incurred a loss before income tax of \$3,500 (2019: \$3,500) and had no cash flows from operating activities for the year ended 30 June 2020 (2019: nil). As at 30 June 2020, the company had net current assets of \$(6,999.99) (2019: \$(3,499.99)).

Prior to reporting date, on 31 January 2020, the World Health Organisation (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreaks as a pandemic. These events are having a significant impact and recovery from the COVID-19 is unknown but it may have an impact on the company's activities and potentially impact on being able to raise capital in an uncertain market.

In context of this operating environment, the ability of the company to continue as a going concern is depending on securing additional funding through debt or equity to continue to fund its operational activities. These conditions indicate a material uncertainty that may cause a significant doubt about the entity's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors believe that there are reasonable grounds to believe that the company will continue as a going concern, after consideration of the following factors:

- The company is pursuing an initial public offering to the Official List of the Australian Securities Exchange to raise funding to continue commercialisation of the business.
- In accordance with the Corporations Act 2001, the company has plans to raise further working capital through the issue of equity during the financial year end 30 June 2021; and
- The company continues to keep costs at a minimum in order to conserve cash reserves for the year ended 30 June 2020.
- The company will continue to receive financial support from Magmatic Resources Limited for the next 12 months to assist in meeting Australian Gold and Copper Ltd's obligations as and when they fall due.

Accordingly, the Directors believe that the company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

Should the company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements or raise additional capital through equity or debts raisings and that the financial reports does not include any adjustments relating to the recoverability and classification or recorded asset amounts or liabilities that might be necessary should the company not continue as a going concern and meet its debts as and when they become due and payable. The directors plan to continue the company's operations on the basis s outlined above and believe there will be sufficient funds for the company to meet its obligations and liabilities for at least twelve months from the date of this report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the company is not able to continue as a going concern.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the financial year ended 30 June 2020. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

Australian Gold and Copper Ltd
Notes to the financial statements
For the year ended 30 June 2020

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 July 2021 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the consolidated entity has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the consolidated entity may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the consolidated entity's financial statements.

Note 2. Cash and cash equivalents

	2020 \$	2019 \$
Cash on hand	0.01	0.01
	0.01	0.01

Note 3. Trade and other payables

	2020 \$	2019 \$
Accrued expenses	7,000.00	3,500.00
	7,000.00	3,500.00

Note 4. Issued capital

	2020 Shares	2019 Shares	2020 \$	2019 \$
Ordinary shares – fully paid	1	1	0.01	0.01

Movements in ordinary share capital

There were no movements in ordinary share capital during the year ended 30 June 2020.

Ordinary shares

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

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

Note 5. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing. It is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

The Company's parent, Magmatic Resources Ltd (MAG) announced to the ASX on 18 September 2020 that the Company had entered into a binding term sheet to purchase two Central Lachlan gold/polymetallic projects from private company, New South Resources Pty Ltd (NSR). NSR will receive as consideration shares in the Company amounting to a 40% interest in pre the initial public offering (IPO) proposed to be undertaken by the Company for their Cargelligo and Gundagai projects (NSR Tenements). MAG will hold the remaining 60% in the Company pre-IPO.

Australian Gold and Copper Ltd
Notes to the financial statements
For the year ended 30 June 2020

Subject to MAG shareholder approvals, and all necessary regulatory approvals, compliance with ASX escrow requirements and waivers, MAG and NSR have the right to distribute in specie around 80% of their holdings in the Company to their respective shareholders.

The demerger of Moorefield from MAG and the NSR acquisitions remain contingent on MAG's shareholders approval, satisfactory tax ruling being received from the ATO regarding tax implications of a distribution in specie for MAG shareholders, necessary regulatory approvals, compliance with 2 ASX escrow requirements and waivers and will be considered at MAG's upcoming Annual General Meeting.

No other matters or circumstances have arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 6. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO, the auditor of the company:

	2020	2019
	\$	\$
<i>Audit services - BDO</i>		
Audit or review of the financial statements	3,500.00	3,500.00

There were no fees paid or payable for the year ended 30 June 2020 for:

- non-audit services provided by the auditor of the company (2019: nil);
- audit or non-audit services provided by any network firm of the company's auditor (2019: nil);
or
- audit services provided by any unrelated firms (2019: nil).

Note 7. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity for the financial year was nil.

Note 8. Contingent assets

There were no contingent assets as at 30 June 2020.

Note 9. Contingent liabilities

There were no contingent liabilities as at 30 June 2020.

Note 10. Commitments

There were no capital or lease commitments as at 30 June 2020.

Note 11. Related party transactions

There were no transactions with related parties of the company during the year.

Note 12. Reconciliation of profit after income tax to net cash from operating activities

	2020	2019
	\$	\$
Loss after income tax expense for the period	(3,500.00)	(3,500.00)
Increase in trade and other payables	3,500.00	3,500.00
Net cash from operating activities	<u>-</u>	<u>-</u>

Australian Gold and Copper Ltd
Directors' declaration
30 June 2020

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements; and
- 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 in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Andrea Betti
Director

30 October 2020
Perth

INDEPENDENT AUDITOR'S REPORT

To the members of Australian Gold and Copper Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Gold and Copper Limited (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Australian Gold and Copper Limited, is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Company in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Director's report, 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Dean Just', written over the printed name.

Dean Just

Director

Perth, 30 October 2020