

22 September 2021

Annual Report to 30 June 2021

Following is the Godolphin Resources Limited (ASX: GRL) ("the Company") annual report for the year ended 30 June 2021.

The 2021 Annual Report reports the Company's results for the year ended 30 June 2021.

The Company expects to hold its annual general meeting on or about Friday 12 November 2021 and, as is required by the ASX Listing Rules, will lodge the notice of meeting as a market announcement when the Notice is being distributed to the Company's shareholders.

ENDS

This market announcement has been authorised for release to the market by Directors of Godolphin Resources Limited.

For further information regarding Godolphin, please visit godolphinresources.com.au or contact:

Jeneta Owens

Managing Director

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About Godolphin Resources

Godolphin Resources (ASX: GRL) is an ASX listed resources company, with 100% controlled Australian-based projects in the Lachlan Fold Belt ("LFB") NSW, a world-class gold-copper province. Currently the Company's tenements cover 3,200km² of highly prospective ground focussed on the Lachlan Transverse Zone, one of the key structures which controlled the formation of copper and gold deposits within the LFB, the Godolphin Fault and the Molong Volcanic Belt.

Godolphin is exploring for structurally hosted, epithermal gold and base-metal deposits and large, gold-copper Cadia style porphyry deposits and is pleased to announce a re-focus of exploration efforts for unlocking the potential of its East Lachlan tenement holdings, including increasing the mineral resource of its advanced Lewis Ponds Project. Reinvigoration of the exploration efforts across the tenement package is the key to discovering the exploration potential and represents a transformational stage for the Company and its shareholders.

GODOLPHIN RESOURCES LIMITED

ABN 13 633 779 950

Annual Report

for the year ended 30 June 2021



Corporate Directory

Directors

Jeremy Read– Non-Executive Chair

Jeneta Owens – Managing Director

Ian Buchhorn – Non-Executive Director

Douglas Menzies – Non-Executive Director

Company Secretary and Chief Financial Officer

Ian Morgan

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Australian Securities Exchange (ASX)

ASX Code: GRL

Securities Registry

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Butler Settineri (Audit) Pty Ltd

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100 Railway Rd,

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Chair's Letter

22 September 2021

Dear Shareholders,

The past year has been a period of significant change for our Company, the industry in which we operate and society in general. Operating as a mineral exploration company with a need to travel to projects in order to progress assessment and testing of our exploration targets, COVID 19 has presented a few challenges. However, our office and operational base in Orange has served us well. We have been able to undertake the majority of planned exploration without major delays and we have completed drilling programs at our flagship Lewis Ponds Project plus Copper Hill East, the Turrawonga Prospect and Mt Aubrey. Our focus has been on maximising our in-ground expenditure, cost effectively testing our targets and progressively moving our projects to significant milestones in order to maximise the value of our project portfolio.

Godolphin is well positioned in comparison to our peer companies exploring the Lachlan Fold Belt through central New South Wales. We have a dominant land position and a wealth of experience amongst our Management and Technical Team, probably unmatched by any of the other junior mineral exploration companies operating in the region. Led by recently appointed Managing Director, Jeneta Owens, the members of our technical team have previously been senior managers at the major mines in central New South Wales, including Northparkes, Cadia and the McPhillamys project. Therefore, our technical team hold direct operational experience of the end result of the exploration process, and they are now applying their experience in progressing the exploration of Godolphin's project portfolio. Over the next 12 months, as that depth of experience is utilised, we anticipate an acceleration of our exploration programs and an increase in our news flow to the market.

In order to respond to changing operational and market conditions, your Board has recently conducted a strategic review of our project portfolio and, as a result, will commence a new strategy of prospect generation followed by rapid drill assessment. Our objective is to generate prospect scale targets across our extensive tenement package, refine those targets with soil geochemical surveys, and subsequently cost effectively test as many targets as possible with reverse circulation drilling. We anticipate ramping up this process to maximise the number of targets we can generate and test, with the ultimate goal of discovering new world class gold and copper deposits. Godolphin has already been successful with the discovery of a new porphyry system at the Turrawonga Prospect, and we aim to further build on this success by delivering more discoveries.

The Lewis Ponds Project will continue as a significant focus of the Company, given the potential of the gold and silver mineralisation to add value to a project which has traditionally been viewed as a base metal project. Drilling has been undertaken recently to further define the new Quarry Lode which has the potential to further expand the resource base at Lewis Ponds.

I would like to take this opportunity to thank the founding CEO of Godolphin, David Greenwood, for his work in establishing the Company, setting up the office in Orange and defining the initial exploration programs. David set up a strong base upon which Jeneta and her team will expand and intensify our exploration and project assessment efforts. Furthermore, I wish to express my thanks to the new Godolphin Technical Team. On behalf of the Board and our Shareholders we look forward to the results of the exploration programs that will be executed over the next year, particularly the prospect generation program and the potential of further discoveries.

Thanks also to my fellow directors for your dedication and sound council over the past year. To our loyal Shareholders, thank you for your continued support and your ongoing confidence in our Management Team and Board. To those Shareholders who have taken the time to reach out directly and provide feedback on

the progress of our Company, I thank you for your insights and passion. Our goal is to create and deliver value for you.

I would like to end this annual letter on a more personal note. Many of our Shareholders probably do not appreciate the fact that 75% of our Technical Team is now female geoscientists. I have worked in mineral exploration for over 30 years and during that time I have seen very slow change come to the traditionally male dominated nature and culture of mineral exploration. The fact that the Godolphin Management and Technical Team is now led by smart, experienced and passionate female explorationists is something that should be recognised and celebrated. With success, our Team will be role models and hopefully will encourage high school age female students, firstly to become passionate about science and then to follow a career in geology and mineral exploration. That would change the industry for the better.

Kind regards

A handwritten signature in blue ink, appearing to read 'J Read', is positioned above a horizontal line.

Jeremy Read
Chair

Directors' Report

The Directors present their report, together with the financial statements of the consolidated entity (referred to hereafter as the 'consolidated entity' or the 'Group'), consisting of Godolphin Resources Limited (referred to hereafter as the 'Company', 'parent entity' or 'Godolphin') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

Directors

The Directors of the Company at any time during or since the end of the financial year are:

Jeremy Read (Non-Executive Chair)

B.Sc (Hons), MAUSIMM

Appointed 1 May 2020

Jeremy Read is a seasoned mining executive who has worked on a range of precious and base metals projects in Australia, Africa, North America, India and Scandinavia.

He played critical roles in the discovery of the Kabanga North nickel deposit in Tanzania, the Cairn Hill magnetite-copper deposit in South Australia and the Boseto Copper deposit in Botswana. He is skilled in developing new technical teams, the management of technical and specialist service groups, project generation activities, risk management and multi-commodity mineral exploration.

Since 2003 Jeremy has concentrated on developing junior mineral resource companies, creating and capturing value for shareholders.

He has been a director of other ASX-listed resource companies: Discovery Metals Limited to 31 August 2015 (ASX: DML), Meridian Minerals to 12 December 2011 (ASX: MII), Avalon Minerals to 12 December 2013 (ASX: AVI), MinQuest Limited to 30 September 2016 (ASX: MNQ), Metalsearch Limited to 6 April 2020 (ASX: MSE) and Pursuit Minerals Limited to 24 June 2021 (ASX: PUR).

Jeremy is a Member of The Australasian Institute of Mining and Metallurgy ("AusIMM").

Jeneta Owens (Managing Director)

B.Sc. (Hons), Dip of Mgt (Distinction), MAIG, MAusIMM, MGSA

Appointed 7 June 2021

Jeneta Owens is a qualified geologist with more than 15 years of experience in the geoscience field, focused on exploration and project evaluation. For the last decade, her particular focus has been on porphyry copper-gold and epithermal gold exploration in NSW, leading exploration activities at Northparkes' Cu-Au mine and Sandfire Resources' NSW projects. Prior to joining Godolphin, Ms Owens launched her own geological consultancy, conducting strategic planning, exploration management along with project evaluation for junior explorers.

Jeneta is a Member of the Australian Institute of Geoscientists ("AIG") and a Member of The Australasian Institute of Mining and Metallurgy ("AusIMM").

Directors' Report (continued)

Ian Buchhorn (Non-Executive Director)

BSc (Hons), Dip Geosci (Min Econ), MAusIMM

Appointed 19 June 2019

Ian Buchhorn is a Mineral Economist (Macquarie University) and Geologist with over 40 years of experience. He was the founding Managing Director of Heron Resources Limited for a period of 11 years until 2007 and returned to that role in 2012 after a period as Executive Director. Mr Buchhorn first managed exploration programs in the Lachlan Fold Belt in 1981, corresponding to the recognition of Northparkes and Temora as significant porphyry/epithermal mineral provinces. Mr Buchhorn previously worked with a number of international mining companies and has worked on gold, nickel, bauxite and industrial mineral mining and exploration, gold and base metal project generation and corporate evaluations. For the last 35 years Mr Buchhorn has acquired and developed mining projects throughout the Eastern Goldfields of Western Australia and has operated as a Registered Mine Manager. Ian is a Member of The Australasian Institute of Mining and Metallurgy ("AusIMM").

During the last three years, Mr Buchhorn has been a Director of Ardea Resources Limited to date (ASX: ARL) and RBR Group Limited to 19 April 2018 (ASX: RBR).

Douglas Menzies (Non-Executive Director)

BSc (Hons), Dip Bus Admin, Grad Cert IT, MAIG, MSEG

Appointed 1 May 2020

Doug Menzies has over 28 years of experience in the mineral exploration and GIS industries including staff positions (Rio Tinto, MapInfo, Wafi-Golpu JV a Newcrest Mining project) and as a consultant (Menzies Geological Services, Corbett Menzies Cunliffe Pty Ltd and GeoInsight). Mr Menzies has diverse experience in the porphyry gold-copper districts of Wafi-Golpu, PNG and Eastern Australia, epithermal gold-silver projects in Australia, Indonesia, Fiji, Laos, Chile, Argentina and Mexico, sediment hosted lead-zinc in Australia and IOCG copper-gold projects in Chile. Mr Menzies's field-based geological assessment of porphyry gold-copper, epithermal gold and IOCG projects has aided in the progression of mineral projects in a variety of locations.

Mr Menzies is a Member of the Australian Institute of Geoscientists ("AIG").

Company Secretary and Chief Financial Officer

Ian Morgan

B Bus, M Com Law, Grad Dip App Fin, CA, AGIA, MAICD, F Fin

Appointed 21 January 2020

Ian Morgan is a member of Chartered Accountants Australia and New Zealand and the Governance Institute of Australia, with over 35 years of experience. Ian provides secretarial and advisory services to a range of companies, including holding the position of Company Secretary for other listed public companies.

Nature of Operations and Principal Activities

Godolphin is an Australian exploration company which listed on the ASX on 18 December 2019, has 100%-controlled Australian-based projects in the Lachlan Fold Belt (LFB) region of NSW, a world-class gold-copper province. Godolphin has drill ready targets at all its 100%-owned projects.

There were no significant changes in the nature of the activities of the Group during the financial year.

Directors' Report (continued)

Dividends

There were no dividends paid or declared by the Company to members during or since the end of the financial year.

Review of Operations and Outlook

Key projects located within the Company's tenement holdings across the Lachlan Fold Belt were progressed by Godolphin during the financial year.

Godolphin's corporate strategy is to fully explore and generate its own prospects for continued development to create value from its entire large tenement holding within the highly prospective Lachlan Fold Belt, a leading province for bulk tonnage, low operating cost gold and copper-gold mines.

During the period ended 30 June 2021, Godolphin undertook the following key activities across its portfolio of 100%-owned assets in NSW.

At the **Lewis Ponds Project (EL5583)** a detailed soil survey was completed in July 2020 which defined significant precious and base metal soil anomalies over a strike length of 1,300 metres. From November 2020 through to April 2021, a diamond drilling program totalling 1,882 metres and an RC drilling program totalling 769 metres was completed. The diamond drilling was designed for resource definition and the RC program, to test the gold and base metal soil anomalies identified. Excellent gold and silver assays were returned on the newly discovered Quarry Lode mineralised zone. The best results included 8 metres at 2.7g/t gold and 118g/t silver in GLPRC001 and 8 metres at 2.85g/t gold and 30g/t silver in GLPRC002.

A review of historical data, focussing on high-grade gold and silver lenses, included remodelling of the existing Mineral Resource. The re-modelled resource wireframes were used to calculate a new Mineral Resource Estimate of 6.2Mt at 2.0g/t gold, 80g/t silver, 2.7% zinc, 1.6% lead and 0.2% copper using a 3.5g/t gold equivalent cut-off, which was verified and signed off by an independent consultant. It was recognised, from this review, that some of the historical drilling had gaps in the assay data through the mineralised zones. Godolphin commenced a program of collecting, re-traying, re-logging, and sampling of historic core from the Lewis Ponds deposit. The process revealed several unsampled intervals containing visible sulphide mineralisation which was subsequently logged, cut, sampled and sent for assaying.

New Mineral Resource Estimate – Lewis Ponds Prospect

Class	Tonnage (Mt)	Grade						Contained Metal				
		Au (g/t)	Ag (g/t)	Zn (%)	Pb (%)	Cu (%)	AuEq (g/t)	Au (koz)	Ag (moz)	Zn (kt)	Pb (kt)	Cu (kt)
Inferred	6.2	2.0	80	2.7	1.6	0.2	6.0	398	15.9	170	99	11
Total	6.2	2.0	80	2.7	1.6	0.2	6.0	398	15.9	170	99	11

Source: ASX announcement 2nd February 2021

Note: The Lewis Ponds met test-work produces high grade concentrates, MRE utilises a 3.5g/t gold equivalent cut-off within mineable shape volumes that may include internal dilution. Tonnage estimates have been rounded to the nearest 0.1Mt and contained metal to the nearest 1,000 tonnes. Estimates may not sum due to rounding.

At the **Copper Hill East Project (EL8556)**, an RC drill program was completed with two drill holes (CHERC011 & CHERC012 with diamond tail) targeting magnetic anomalies with corresponding elevated gold and copper soil geochemistry results at the Turrawonga Prospect. A further nine holes (CHERC001 to CHERC009) targeted a strong copper soil anomaly at the Lyons Prospect. This prospect has native copper visible in float rocks at surface. A total of 1,694.8 metres were drilled over the two prospects. CHERC012 intersected

Directors' Report (continued)

zones of chalcopyrite interpreted to be associated with monzonite intrusions. The best intersection was 32 metres at 0.29g/t gold and 0.13% copper, including 12m at 0.45g/t gold and 0.22% copper.

Two deeper RC holes, CHERC010 (456m) and CHERC013 (with diamond tail to 594.5m), were drilled at the Turrawonga Prospect in November 2020. These two holes intersected intrusive rocks with patchy disseminated chalcopyrite and bornite. Significant assay results received from CHERC013 were 30 metres at 0.64g/t gold and 0.04% copper, including 18 metres at 1.0 g/t gold and 0.04% copper.

Several characteristic features were identified, by a consultant, in the analysis of satellite-based, hyperspectral data (VNIR, SWIR & LWIR from the Japanese ASTER satellite) which helped validate the alteration zonation data gathered from the drill holes. This work also identified encouraging features on the surface that may vector towards a potassic alteration zone. An albite signature was interpreted in the vicinity, confirming the alteration signature found in the drill core and the overall propylitic signature of the area.

A deep penetrating IP (MIMDAS) survey was completed in Q1 2021. The survey results displayed by the 3D inversion of the data identified that the local farm fences had produced interference to the chargeability model. The resistivity model appears unaffected and has identified several very shallow 'low' resistive areas and a lineament that may be a lithological contact or a structure.

At the **Mt Aubrey Project (EL8532)** a drilling program commenced in August 2020 totalling 1,021 metres. Seven RC drill holes targeted the eastern extension of the mineralisation and tested the prospective basalt/sediment contact, as identified in MAGRC0011 at depth. In addition, three RC drill holes tested geophysical targets identified from a reinterpreted historical IP survey and a recent groundmagnetic survey. T-MAR032 returned 7m at 1.52g/t gold and 3m at 7.41g/t gold. MAGRC016, which intersected three separate mineralised quartz veins, returned 8m at 0.60g/t gold, 2m at 1.22g/t gold and 2m at 1.01g/t gold. The drilling confirmed that gold bearing quartz veins extend for more than 350m east of the historical pits on the main mineralised system at Mt Aubrey.

The **Gundagai North Project (EL8586)** key gold bearing prospects include Emu, Johnston's Hill and Manton's. Following earlier soil sampling programs, which located strong gold in soil anomalies with corresponding high gold in rock chip samples, and geological mapping in 2020, an RC drill program consisting of 9 holes has been designed. Drilling will commence later in 2021, subject to any COVID-19 restrictions.

The **Gundagai South Project (EL8061)** soil and rock chip sampling programs from 2019 located elevated gold soil geochemical anomalies with corresponding high gold in rock chip samples. Geological mapping was then completed in 2020 to determine the orientation of structures which host the gold mineralisation. From this mapping, an RC drilling program, consisting of 2 holes, has been planned to test the Surprise North prospect. Drilling will commence later in 2021.

Directors' Report (continued)

Corporate

Financial

The Group incurred an operating loss after tax for the year ended 30 June 2021 of \$1,412,786. The Group retained a cash balance of \$4,729,025 at 30 June 2021.

Capital Raisings

During the year to 30 June 2021, capital was raised by way of:

1. A cash placement totalling \$3,500,000 with the issue 14,583,340 ordinary fully paid shares for \$0.24 each share; and
2. Loyalty option holders exercising 1,570,031 loyalty options for their exercise price of \$0.20 each share, raising \$314,006.

Further details of capital raisings are set out in Note A5.

Events Subsequent to the Reporting Date

The Directors are not aware of any matter or circumstance that has arisen since the end of the financial year that has significantly affected or may significantly affect the Group's operations, the results of these operations or the Group's state of affairs in future financial years.

Environmental Regulation

The Board believes that the Group has adequate systems in place for the management of its environmental requirements.

Based on results of enquiries made, the Directors are not aware of any significant breaches during the year covered by this report.

Directors' Meetings

The numbers of Directors' meetings (including meetings of committees of Directors) where Directors were eligible to attend and attended in person or by alternate during the financial year by each of the Directors of the Company were:

	Board Meetings		Audit and Risk Committee Meetings	
	Eligible	Attended	Eligible	Attended
Jeremy Read	17	17	2	2
Jeneta Owens (Appointed 7 June 2021)	-	-	-	-
Ian Buchhorn	17	17	2	2
Douglas Menzies	17	17	2	2

The Company has a Remuneration and Nomination Committee, which did not meet during the financial year ended 30 June 2021. Remuneration and nomination matters were considered and agreed during the financial year by the full Board.

Directors' Report (continued)

Movements in Securities Held by Directors

The movement during the financial year in the number of securities of Godolphin Resources Limited held, directly, indirectly or beneficially, by each specified Director, including their personally related entities, is as follows:

<i>Key Management Person</i>	<i>Securities</i>	<i>Jeremy Read</i>	<i>Jeneta Owens (appointed 7 June 2021)</i>	<i>Ian Buchhorn</i>	<i>Douglas Menzies</i>
30 June 2021					
Number at 1 July or date of appointment, as applicable	Shares	-	-	6,699,849	-
	Incentive Options	-	-	250,000	-
	Loyalty Options	-	-	2,316,622	-
Number purchased on market	Shares	-	-	-	19,529
Balance of securities at 30 June 2021	Shares	-	-	6,699,849	19,529
	Incentive Options	-	-	250,000	-
	Loyalty Options	-	-	2,316,622	-

<i>Key Management Person</i>	<i>Securities</i>	<i>Jeremy Read (appointed 1 May 2020)</i>	<i>Ian Buchhorn</i>	<i>Douglas Menzies (appointed 1 May 2020)</i>	<i>Mark Sykes (resigned 30 April 2020)</i>	<i>Andrew Stewart (resigned 30 April 2020)</i>
30 June 2020						
Number at 19 June 2019 or date of appointment, as applicable	Shares	-	-	-	-	-
	Incentive Options	-	-	-	-	-
	Loyalty Options	-	-	-	-	-
Number issued under Initial Public Offer Prospectus dated 29 October 2019	Shares	-	6,699,849	-	150,000	50,000
	Incentive Options	-	250,000	-	500,000	250,000
	Loyalty Options	-	-	-	-	-
Number issued under Loyalty Options Prospectus dated 1 June 2020	Shares	-	-	-	-	-
	Incentive Options	-	-	-	-	-
	Loyalty Options	-	2,316,622	-	-	-
Balance of securities at 30 June 2020 or date of ceasing, as applicable	Shares	-	6,699,849	-	150,000	50,000
	Incentive Options	-	250,000	-	500,000	250,000
	Loyalty Options	-	2,316,622	-	-	-

The terms and conditions of the options granted are outlined in Note A5 to the accounts.

Directors' Report (continued)

Remuneration Report (Audited)

This report outlines the remuneration arrangements in place for key management personnel of the Group. Remuneration is referred to as compensation throughout this report.

Remuneration Policy

Directors and key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and the Group.

Compensation levels for key management personnel of the Group will be competitively set to attract and retain appropriately qualified and experienced Directors, executives and future executives. Current remuneration levels are driven largely by the requirement to conserve cash within the Company. There were no remuneration consultants used to set the remuneration of key management personnel.

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The compensation structures take into account:

- the capability and experience of the key management personnel
- the key management personnel's ability to control the Group's performance
- the Group's performance including:
 - the Group's earnings;
 - the growth in share price and delivering constant returns on shareholder wealth; and
 - the amount of incentives within each key management person's compensation.

Compensation packages will include a mix of fixed and variable compensation, and short-term and long-term performance-based incentives.

In addition to their salaries, the Group also provides non-cash benefits to its key management personnel, and where applicable, contributes to the individual's elected post-employment superannuation plan on their behalf.

Contract Terms and Conditions

The determination of Directors' remuneration is made by the Board having regard to the current position of the Company, in that it is as yet not in production and continues to preserve cash as much as possible.

The Board may award additional remuneration to Directors called upon to perform extra services or make special exertions on behalf of the Company.

The Board reviews remuneration to reflect current industry norms, and determines remuneration policies and practices generally, reviews and makes specific decisions on the remuneration packages and other terms of employment of its directors and senior executives.

No Director remuneration package includes terms for redundancy, retirement or termination benefits. No such amounts were accrued or paid for any Director during the current financial year.

Terms of Employment

During the year ended 30 June 2021, there were no equity securities granted as remuneration. During the period ended 30 June 2020, a total of 1,000,000 Incentive Options with an expense totalling \$70,551 were granted to the Company's directors.

On 15 June 2020, one Loyalty Option was granted for every three Incentive Options held at the record date (5 June 2020). A total of 333,335 Loyalty Options were granted to a Director and two former Directors. Details relating to the Incentive Options and Loyalty Options are below.

Directors' Report (continued)

No terms of equity settled share-based payment transactions (including Incentive Options granted as compensation to key management persons) have been altered or modified by the issuing entity to the date of this report.

Other than as disclosed in this report, there are no entitlements for the Company's Option holders to participate in new issues of capital which may be offered to the Company's existing ordinary shareholders.

The Group prohibits those that are granted share-based payments as part of their remuneration from entering other arrangements that limit their exposure to losses that would result from share price decreases. Entering such arrangement is prohibited by law.

The relevant beneficial interest of each Director in the securities issued by the companies within the Group and other related bodies corporate, and notified by the Directors to the ASX in accordance with section 250G(1) of the *Corporations Act 2001* (Cth) at the date of this report are:

Director	Current holdings (Direct and Indirect) at the date of this report			Entitlement at the date of this report
	Quoted Shares	Incentive Options	Unquoted Options	Loyalty Options
	Number	Number	Number	Number
Jeremy Read	-	-	-	-
Jeneta Owens	-	-	-	-
Ian Buchhorn	6,759,849	250,000	2,316,622	-
Douglas Menzies	19,529	-	-	-

Unquoted Options

Director	Security	Grant Date	Fair value per option	Exercise price per option	Expiry date	Number of options granted and vested at the date of this report
Jeremy Read	-	-	\$ -	\$ -	-	-
Jeneta Owens	-	-	-	-	-	-
Ian Buchhorn	Incentive Options	5 Dec 2019 ¹	\$0.07055	\$0.25	5 Dec 2022	250,000
	Loyalty Options	15 Jun 2020	\$0.00	\$0.20	15 Jun 2022	2,316,622
Douglas Menzies	-	-	-	-	-	-

Each Option provides the right for the option holder to be issued one fully paid Share upon payment of each Exercise Price for each Share.

¹ ASX escrow ends 18 December 2021.

Directors' Report (continued)

Jeremy Read (appointed 1 May 2020)

Effective 1 May 2020, the Company agreed to utilise the services of Mr Read as the Company's non-executive chair, for a fee of \$60,000 per annum excluding compulsory superannuation and any goods and services tax.

Jeneta Owens (appointed 7 June 2021)

Effective 7 June 2021, the Company agreed to employ Ms Owens as the Company's Managing Director. A summary of the terms of Ms Owens employment is as follows:

Commencement Date	7 June 2021
Term	No fixed term. Either party may terminate the agreement at any time with written notice of 3 months.
Salary	A base salary of A\$315,000 per annum, excluding statutory superannuation.
Short-Term Incentives (STI)	The Managing Director is eligible, for an annual Short-Term Incentive (STI) payment of up to \$25,000 gross. The STI will be based on the Executive meeting criteria set by the Board.
Long-Term Incentives (LTI)	Subject to the ASX Listing Rules including members' approval, and any determination of the Board, the Managing Director (or her nominee), will be entitled to receive 2,000,000 options (Options), each providing the holder with the right to be issued one ordinary fully paid share by the Company (Share) upon payment of the Option's cash exercise price. 1,000,000 Tranche 1 Options exercisable at \$0.25 per Option for a maximum period of 24 months from the date of issue. Each Tranche 1 Option vests upon the Company's volume weighted average share price (VWAP) for 30 days prior to the vesting date exceeding \$0.30 per Share. 1,000,000 Tranche 2 Options exercisable at \$0.35 per Option for a maximum period of 36 months from the date of issue. Each Tranche 2 Option vests upon the Company's volume weighted average share price (VWAP) for 30 days prior to the vesting date exceeding \$0.30 per Share. Additional long-term incentives may be introduced, such as Performance Rights, at the discretion of the Board and subject to the ASX Listing Rules including members' approval.
Annual leave	Annual leave accrues at the rate of four weeks (20 business days) per annum.
Conflict of Interest	The Managing Director must not at any time during the Employment without the written consent of the Board, subject to further conditions.
Restraint Period	Without prior written consent of the Company, the Managing Director will not either directly or indirectly compete with the Company for up to 12 months after the termination date, subject to further conditions.

Douglas Menzies (appointed 1 May 2020)

Effective 1 May 2020, the Company agreed to utilise the services of Mr Menzies as the Company's non-executive director, for a fee of \$45,000 per annum excluding compulsory superannuation and any goods and services tax. Mr Menzies related entity also provides consulting services to the Company. For the year ended 30 June 2021, consulting fees charged by the Mr Menzies related entity totalled \$13,700 excluding GST (2020 \$Nil).

Directors' Report (continued)

Ian Buchhorn (appointed 19 June 2019)

Effective 18 December 2019, the Company agreed to utilise the services of Mr Buchhorn as the Company's non-executive director, for a fee of \$45,000 per annum excluding compulsory superannuation and any goods and services tax.

Options Issued to Directors or Executives

Options were previously granted to Directors, or their nominees, in lieu of market related cash remuneration. Details relating to these options are on page 13. The options were granted at no cost to the recipient.

There are no entitlements for the Company's option holders to participate in new issues of capital, which may be offered to the Company's existing ordinary shareholders.

No options were exercised by Directors during the financial year (2020: Nil).

The Group prohibits those that are granted unvested or restricted share-based payments, as part of their remuneration, from entering into other arrangements that limit their exposure to losses that would result from share price decreases. Entering into such arrangement has been prohibited by law since 1 July 2011.

Details of vesting profiles of the options granted as remuneration to each key management person of the Group and each of the named key management persons are detailed below:

Director	Grant Date	Expiry date	Number	Vested at the end of the reporting period or at the resignation date (as applicable)		Lapsed during the reporting period or to the resignation date (as applicable) ²	
				2021 %	2020 %	2021 %	2020 %
Jeremy Read	-	-	-	-	-	-	-
Jeneta Owens (appointed 7 June 2021)	-	-	-	-	-	-	-
Ian Buchhorn	5 Dec 2019 ³	5 Dec 2022	250,000	100	100	-	-
Douglas Menzies	-	-	-	-	-	-	-
Mark Sykes (resigned 30 April 2020)	5 Dec 2019 ³	5 Dec 2022	500,000	Not applicable	100	Not applicable	-
Andrew Stewart (resigned 30 April 2020)	5 Dec 2019 ³	5 Dec 2022	250,000	Not applicable	100	Not applicable	-

² The % lapsed in the period represents the reduction from the maximum number of options available to vest due to the options not being exercised and lapsing.

³ ASX escrow ends 18 December 2021.

Directors' Report (continued)

Key Financial Statistics

	2021	2020
Loss for the financial year attributable to owners of the Company	\$1,412,786	\$801,362
Working capital at 30 June	\$4,592,651	\$4,731,079
Net assets at 30 June	\$15,601,823	\$13,325,967
Number of Shares on issue at 30 June	84,110,522	67,957,151
Share price at 30 June (cents per Share)	15.0	19.0
Market capitalisation at 30 June	\$12,616,578	\$12,911,859
Loss on capital employed for the financial year	11.20%	6.21%
<hr/>		
Options benefits of key management persons	\$44,082	\$92,079
Other compensation of key management persons	\$730,710	\$382,368
<hr/>		
Total compensation of key management persons (Group and Company) for the financial year	\$774,792	\$474,447
<hr/>		

During the financial year ended 30 June 2021, the Company focused on exploring and developing its large tenement holdings within the LFB. Further details are included in the Review of Operations and Outlook on page 8.

Directors' Report (continued)

Directors' Remuneration for the period ended 30 June 2021

Details of the nature and amount of each major element of remuneration of each Director of the Company and other key management personnel of the Group and Company are:

		Short-term				Post-employment	Other	Termination	Share-based	Total	Proportion of	Value of
		Salary & fees	Consulting fees	Cash bonus	Non-monetary benefits	Superannuation benefits	long term	benefits	payments		remuneration performance related	options as proportion of remuneration
		\$	\$	\$	\$	\$	\$	\$	Options ⁴	\$		
Directors												
Jeremy Read (appointed 1 May 2020)	2021	60,000	-	-	-	60,000	5,700	-	-	65,700	-	-
	2020	10,000	-	-	-	10,000	950	-	-	10,950	-	-
Jeneta Owens (MD) (appointed 7 June 2021)	2021	21,477	-	-	-	21,477	2,040	-	-	23,517	-	-
	2020	-	-	-	-	-	-	-	-	-	-	-
Ian Buchhorn	2021	45,000	-	-	-	45,000	4,275	-	-	49,275	-	-
	2020	24,226	-	-	-	24,226	2,301	-	17,638	44,165	40%	40%
Douglas Menzies (appointed 1 May 2020)	2021	48,206	13,700	-	-	61,906	4,580	-	-	66,486	-	-
	2020	7,500	-	-	-	7,500	713	-	-	8,213	-	-
Mark Sykes (resigned 30 April 2020)	2021	-	-	-	-	-	-	-	-	-	-	-
	2020	22,258	49,500	-	-	71,758	2,119	-	35,275	109,152	32%	32%
Andrew Stewart (resigned 30 April 2020)	2021	-	-	-	-	-	-	-	-	-	-	-
	2020	16,726	-	-	-	16,726	1,589	-	17,638	35,953	49%	49%
Management												
David Greenwood (CEO) (resigned 23 May 2021)	2021	265,017	5,850	-	-	270,867	23,278	-	91,667	35,299	421,111	8%
	2020	183,333	-	-	-	183,333	17,413	-	17,614	218,360	8%	8%
Ian Morgan (Company Secretary and CFO)	2021	-	139,920	-	-	139,920	-	-	8,783	148,703	6%	6%
	2020	-	43,740	-	-	43,740	-	-	3,914	47,654	8%	8%
Total compensation	2021	439,700	159,470	-	-	599,170	39,873	-	91,667	44,082	774,792	6%
	2020	264,043	93,240	-	-	357,283	25,085	-	92,079	474,447	19%	19%

⁴ The fair value of the options is calculated at the date of grant using the Black Scholes option pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the options recognised as an expense in each reporting period.

Directors' Report (continued)

Details of options over ordinary shares in the Company that were granted as compensation, for no cash consideration, to each key management person during the reporting period and details that vested during the reporting period are as follows:

Unquoted Options

Key Management Person	Balance of options shares at 1 July or date of appointment, as applicable	Incentive Options issued under IPO Offer	Employee Options issued under IPO Offer	Loyalty Options issued under Loyalty Options Offer	Balance of options at 30 June or date of ceasing, as applicable
	Number	Number	Number	Number	Number
Year ended 30 June 2021					
Jeremy Read	-	-	-	-	-
Jeneta Owens (Managing Director) (appointed 7 June 2021)	-	-	-	-	-
Ian Buchhorn	333,334	-	-	-	333,334
Douglas Menzies	-	-	-	-	-
	333,334	-	-	-	333,334
David Greenwood (Chief Executive Officer) (resigned 23 May 2021)	1,000,000	-	-	-	1,000,000
Ian Morgan (Company Secretary and CFO)	333,334	-	-	-	333,334
	1,666,668	-	-	-	1,666,668

Directors' Report (continued)

Key Management Person	Balance of options shares at 19 June 2019 or date of appointment, as applicable	Balance of Incentive Options issued under IPO Offer	Employee Options issued under IPO Offer	Loyalty Options issued under Loyalty Options Offer	Balance of options at 30 June or date of ceasing, as applicable
	Number	Number	Number	Number	Number
Period ended 30 June 2020					
Jeremy Read (appointed 1 May 2020)	-	-	-	-	-
Ian Buchhorn	-	250,000	-	83,334	333,334
Douglas Menzies (appointed 1 May 2020)	-	-	-	-	-
Mark Sykes (resigned 30 April 2020)	-	500,000	-	166,667	666,667
Andrew Stewart (resigned 30 April 2020)	-	250,000	-	83,334	333,334
	-	1,000,000	-	333,335	1,333,335
David Greenwood (Chief Executive Officer) (appointed 1 November 2019)	-	-	750,000	250,000	1,000,000
Ian Morgan (Company Secretary and CFO) (appointed 21 January 2020)	-	-	250,000	83,334	333,334
	-	1,000,000	1,000,000	666,669	2,666,669

Directors' Report (continued)

Incentive Options

Key Management Person	Number of options granted during the reporting period	Grant Date	Vesting Date ⁵	ASX Escrow Expiry Date	Option Expiry Date	Fair value per option at the grant date	Exercise price per option	Number of options vested during the reporting period
Year ended 30 June 2021	-							-
Period ended 30 June 2020								
Ian Buchhorn	250,000	5 Dec 2019	18 Dec 2019	18 Dec 2021	5 Dec 2022	\$0.07055	\$0.25	250,000
Mark Sykes	500,000	5 Dec 2019	18 Dec 2019	18 Dec 2021	5 Dec 2022	\$0.07055	\$0.25	500,000
Andrew Stewart	250,000	5 Dec 2019	18 Dec 2019	18 Dec 2021	5 Dec 2022	\$0.07055	\$0.25	250,000
	1,000,000							1,000,000

Employee Options

Key Management Person	Number of options granted during the reporting period	Grant Date	Vesting Date ⁶	Option Expiry Date	Fair value per option at the grant date	Exercise price per option	Number of options vested during the reporting period
Year ended 30 June 2021	-						-
Period ended 30 June 2020							
David Greenwood	750,000	5 Dec 2019	1 Nov 2021	5 Dec 2022	\$0.07055	\$0.25	-
Ian Morgan	250,000	5 Dec 2019	21 Jan 2022	5 Dec 2022	\$0.07055	\$0.25	-
	1,000,000						-

⁵ Vesting condition of the Company successfully listing on the Australian Securities Exchange within 12 months of the date of issue of the incentive option.

⁶ Vesting condition of 24 months of continuous employment by the option holder (or controller of the option holder).

Directors' Report (continued)

Loyalty Options

Key Management Person	Number of options granted during the reporting period	Grant Date and Vesting Date	Option Expiry Date	Fair value per option at the grant date	Exercise price per option	Number of options vested during the reporting period
Year ended 30 June 2021	-					-
Period ended 30 June 2020						
Ian Buchhorn	83,334	15 Jun 2020	15 Jun 2022	\$0.00	\$0.20	83,334
Mark Sykes	166,667	15 Jun 2020	15 Jun 2022	\$0.00	\$0.20	166,667
Andrew Stewart	83,334	15 Jun 2020	15 Jun 2022	\$0.00	\$0.20	83,334
	333,335					333,335
David Greenwood	250,000	15 Jun 2020	15 Jun 2022	\$0.00	\$0.20	250,000
Ian Morgan	83,334	15 Jun 2020	15 Jun 2022	\$0.00	\$0.20	83,334
	666,669					666,669

End of Remuneration Report (Audited)

Directors' Report (continued)

Shares Under Option

Each option provides the right for the option holder to be issued one ordinary fully paid share by the Company, upon payment of the exercise price of each option. The options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

During the financial year there were 1,570,031 shares issued on the exercise of options (2020: Nil). 3,000,000 unquoted options were granted during the year ended 30 June 2021 (2020: 49,278,461).

Details of options over ordinary shares in the Company that were granted, exercised, vested and expired during the financial year are as follows:

Year ended 30 June 2021

Exercise Price	Vesting Date	ASX Escrow Expiry	Expiry Date	Balance at 1 July 2020		Granted during the year	Exercised during the year	Balance at 30 June 2021	
				Vested Number	Unvested Number			Vested Number	Unvested Number
Unquoted									
\$0.25	5 Dec 2019	18 Dec 2021	5 Dec 2022	17,000,000	-	-	-	17,000,000	
	18 Dec 2019		5 Dec 2022	1,000,000	-	-	-	1,000,000	
\$0.25	1 Nov 2021	Not escrowed	5 Dec 2022	-	750,000	-	-	-	750,000
	16 Dec 2021		5 Dec 2022	-	1,000,000	-	-	-	1,000,000
	21 Jan 2022		5 Dec 2022	-	250,000	-	-	-	250,000
				18,000,000	2,000,000	-	-	18,000,000	2,000,000
\$0.20	15 Jun 2020	Not escrowed	15 Jun 2022	29,278,461	-	-	(1,570,031)	27,708,430	-
\$0.40	24 Dec 2020	Not escrowed	24 Dec 2022	-	-	3,000,000	-	3,000,000	-
				47,278,461	2,000,000	3,000,000	(1,570,031)	48,708,430	2,000,000

Directors' Report (continued)

Period ended 30 June 2020

Exercise Price	Vesting Date	ASX Escrow Expiry	Expiry Date	Balance at 19 June 2019		Granted during the period	Exercised during the period	Balance at 30 June 2020	
				Vested Number	Unvested Number			Vested Number	Unvested Number
Unquoted									
\$0.25	5 Dec 2019	18 Dec 2021	5 Dec 2022	-	-	17,000,000	-	17,000,000	
	18 Dec 2019		5 Dec 2022	-	-	1,000,000	-	1,000,000	
\$0.25	1 Nov 2021	Not escrowed	5 Dec 2022	-	-	750,000	-	-	750,000
	16 Dec 2021		5 Dec 2022	-	-	1,000,000	-	-	1,000,000
	21 Jan 2022		5 Dec 2022	-	-	250,000	-	-	250,000
\$0.20	15 Jun 2020	Not escrowed		-	-	20,000,000	-	18,000,000	2,000,000
			15 Jun 2022	-	-	29,278,461	-	29,278,461	-
				-	-	49,278,461	-	47,278,461	2,000,000

Directors' Report (continued)

Indemnification and Insurance of Officers and Auditor

Indemnification and Insurance

The Company indemnifies current and former Directors and Officers for any loss arising from any claim by reason of any specified act committed by them in their capacity as a Director or Officer (subject to certain exclusions as required by law).

The Company has paid insurance premiums in respect of directors' and officers' liability. Insurance cover relates to liabilities that may arise from their position (subject to certain exclusions as required by law).

Details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' liability insurance are not disclosed. Such disclosure is prohibited under the terms of the policy.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such by an officer or auditor.

Audit Services

During the year ended 30 June 2021, the Group expensed an amount of \$20,114 (2020: \$20,000) payable to its auditor, Butler Settinieri (Audit) Pty Ltd, for audit services provided.

Non-Audit Services

During the year ended 30 June 2021 Butler Settinieri (Audit) Pty Ltd and its related practices, the Group's auditor, did not undertake other services in addition to the audit and review of financial statements.

Rounding Off

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016. Notwithstanding the Company may round the nearest thousand dollars, amounts in the Financial Report and Directors' Report have been reported to the nearest dollar, unless otherwise stated.

Lead Auditor's Independence Declaration

The lead auditor's independence declaration made under Section 307C of the *Corporations Act 2001* (Cth) is set out on page 61 and forms part of this Directors' Report.

Previously Reported Information

The information in this report that references previously reported exploration results is extracted from the Company's ASX Announcements released on the date noted in the body of the text where that reference appears. The ASX Announcements are available to view on the Company's website or on the ASX website (www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Signed in accordance with a resolution of the Board of Directors.



Jeremy Read
Chair
Brisbane
22 September 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year Ended 30 June 2021

	Note	2021 \$	19 June 2019 to 30 June 2020 \$
Other income	D1	134,193	-
Employee expenses		697,850	325,176
Non-cash employee expense from granting of options to			
Directors		-	56,911
Employees		95,496	54,302
		95,496	111,213
Administration expenses	D2	620,806	338,680
Site restoration expense	A9	82,978	56,000
Depreciation – Property, Plant and Equipment	A11	20,928	3,888
Depreciation – Right of Use Asset	A13	37,235	-
Total Expenses		1,555,293	834,957
Loss before interest and income tax		1,421,100	834,957
Financial income – interest		19,317	33,595
Less: Financial expense – interest		11,003	-
Less: Net Financial income - interest		8,314	33,595
Loss after interest and before income tax		1,412,786	801,362
Income tax benefit	D3	-	-
Net loss attributable to members of the parent		1,412,786	801,362
Other comprehensive income, net of income tax		-	-
Total comprehensive income		1,412,786	801,362
		Cents	Cents
Loss per share – basic	D4	1.82	2.15
Loss per share – diluted	D4	1.82	2.15

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

Consolidated Statement of Financial Position

As at 30 June 2021

	Note	30 June 2021 \$	30 June 2020 \$
Current assets			
Cash and cash equivalents	A10	4,729,025	4,861,593
Prepayments and other receivables	A7	117,933	82,881
Total current assets		4,846,958	4,944,474
Non-current assets			
Property, plant and equipment	A11	429,323	422,921
Right-of-use Assets	A13	345,753	-
Exploration and evaluation costs	A12	10,663,740	8,227,967
Total non-current assets		11,438,816	8,650,888
Total assets		16,285,774	13,595,362
Current liabilities			
Trade and other payables	A8	197,812	173,100
Lease Liability	A13	56,495	-
Employee benefits	A9	-	40,295
Total current liabilities		254,307	213,395
Non-current liabilities			
Lease Liability	A13	290,666	-
Provision	A9	138,978	56,000
Total non-current liabilities		429,644	56,000
Total liabilities		683,951	269,395
Net assets		15,601,823	13,325,967
Equity			
Issued capital	A5	16,132,958	12,816,766
Reserve	A5	1,683,013	1,310,563
Accumulated losses		(2,214,148)	(801,362)
Equity		15,601,823	13,325,967

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

Consolidated Statement of Changes in Equity

Year Ended 30 June 2021

	Note	Ordinary fully paid shares \$	Share option reserve \$	Accumulated losses \$	Total Equity \$
Balance at 19 June 2019		100	-	-	100
Pro-rata Issue of shares to Ardea shareholders (4 December 2019)		6,000,000	-	-	6,000,000
Issue of shares for IPO (5 December 2019)		7,480,500	-	-	7,480,500
Issue of shares for repayment of debt by Ardea (3 April 2020)		110,910	-	-	110,910
Capital raising costs		(774,744)	-	-	(774,744)
Total comprehensive income for the period		-	-	(801,362)	(801,362)
Equity settled share-based payments for the period		-	1,310,563	-	1,310,563
Balance at 30 June 2020	A5	12,816,766	1,310,563	(801,362)	13,325,967
Balance at 1 July 2020		12,816,766	1,310,563	(801,362)	13,325,967
Issue of shares		3,814,009	-	-	3,814,009
Capital raising costs		(497,817)	-	-	(497,817)
Total comprehensive income for the year		-	-	(1,412,786)	(1,412,786)
Equity settled share-based payments for the year		-	372,450	-	372,450
Balance at 30 June 2021	A5	16,132,958	1,683,013	(2,214,148)	15,601,823

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

Consolidated Statement of Cash Flows

Year Ended 30 June 2021

	Note	2021 \$	19 June 2019 to 30 June 2020 \$
Cash flows used in operating activities			
Receipts from customers		-	-
Australian Government Cashflow Boost		100,000	-
Exclusivity Fee		30,000	-
Other income		4,193	-
Payments to suppliers and employees		(1,396,725)	(476,543)
Interest received		28,713	18,318
Net cash used in operating activities	A6	<u>(1,233,819)</u>	<u>(458,225)</u>
Cash flows used in investing activities			
Payments for property, plant and equipment		(27,330)	(50,324)
Payments for exploration and evaluation costs		(2,464,565)	(962,663)
Net cash used in investing activities		<u>(2,491,895)</u>	<u>(1,012,987)</u>
Cash flows from financing activities			
Proceeds from capital raisings		3,814,009	7,480,500
Payments for capital raising costs		(220,863)	(212,633)
Repayment of loan for capital raising costs		-	(935,062)
Receipt from other loan		-	200,000
Repayment of other loan		-	(200,000)
Net cash generated from financing activities		<u>3,593,146</u>	<u>6,332,805</u>
Net (decrease) / increase in cash and cash equivalents		<u>(132,568)</u>	<u>4,861,593</u>
Opening Cash and cash equivalents		4,861,593	-
Closing Cash and cash equivalents at 30 June	A10	<u>4,729,025</u>	<u>4,861,593</u>

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

Notes to the Financial Statements

Year Ended 30 June 2021

General Information

The financial statements cover Godolphin Resources Limited as a consolidated entity consisting of Godolphin Resources Limited and its subsidiaries. The financial statements are presented in Australian dollars, which is Godolphin Resources Limited's functional and presentation currency.

Godolphin Resources Limited is a public company, listed on the Australian Securities Exchange, limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 22 September 2021.

The Notes to the consolidated financial statement are set out in the following main sections:

Section A – Key Financial Information and Preparation Basis

Section B – Risk and Judgement

Section C – Key Management Personnel and Related Party Disclosures

Section D – Other Disclosures

Notes to the Financial Statements (continued)

Section A – Key Financial Information and Preparation Basis

- A. This section sets out the basis upon which the Group's financial statements have been prepared as a whole and explains the results and performance of the Group that the Directors consider most relevant in the context of the operations of the entity.

A1. *Statement of Compliance*

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (**AASB**) and the *Corporations Act 2001* (Cth).

A2. *Basis of Preparation*

The financial report is prepared on the historical cost basis other than share-based transactions that are assessed at fair value.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016. Notwithstanding the Company may round the nearest thousand dollars, amounts in the Financial Report and Directors' Report have been reported to the nearest dollar, unless otherwise stated.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the Group.

Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

A3. *Basis of Consolidation*

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Investments in subsidiaries are carried in the Parent Entity's financial statements at the lower of cost and recoverable amount.

Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Notes to the Financial Statements (continued)

Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the entity, with adjustments made to the "Investment in associates" and "Share of associates' net profit" accounts.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Gains and losses are recognised as the relevant assets are consumed or sold by the associate or jointly controlled entities or, if not consumed or sold by the associate or jointly controlled entity, when the Group's interest in such entities is disposed of.

A4. Going Concern

During the financial year ended 30 June 2021, the Company incurred an operating loss of \$1,412,786. After raising \$3,814,009 in equity by a public offer and exercised loyalty options, see below, and incurring the aforementioned costs, the Company ended the financial year with a cash balance of \$4,729,025.

Based on the above evidence of successful fund raisings and taking into account budgeted expenditure commitments, the Board has prepared these Financial Statements on a going concern basis.

Despite the ability of the Company to historically raise funds, further funding will be required to develop the Company's tenements.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

Judgement about the future is based on information available at the date of this report. Subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made.

Notes to the Financial Statements (continued)

A5. Capital and Reserves

Share capital

Ordinary shares issued and fully paid	Date	Number of shares	Issue Price per share	\$
Shares issued on incorporation	19 June 2019	100	\$1.00	100
Shares issued in-specie to Ardea shareholders	4 December 2019	30,000,000	\$0.20	6,000,000
Cash placement (initial public offer)	5 December 2019	37,402,500	\$0.20	7,480,500
Ardea loan repayment	3 April 2020	554,551	\$0.20	110,910
		<u>67,957,151</u>		<u>13,591,510</u>
Less costs relating to share issues		-		(774,744)
Balance	30 June 2020	<u>67,957,151</u>		<u>12,816,766</u>
Balance	1 July 2020	67,957,151		12,816,766
Options Exercised	22 July 2020	18,248	\$0.20	3,650
Options Exercised	18 August 2020	120,575	\$0.20	24,115
Options Exercised	22 October 2020	229,309	\$0.20	45,862
Options Exercised	3 November 2020	834,414	\$0.20	166,883
Cash Placement (Tranche 1)	16 November 2020	10,370,000	\$0.24	2,488,800
Options Exercised	24 November 2020	234,057	\$0.20	46,812
Options Exercised	21 December 2020	109,207	\$0.20	21,841
Cash Placement (Tranche 2)	24 December 2020	4,213,340	\$0.24	1,011,202
Options Exercised	5-Feb-2021	18,242	\$0.20	3,648
Options Exercised	8-Mar-2021	5,979	\$0.20	1,196
		<u>84,110,522</u>		<u>16,630,775</u>
Less costs relating to share issues		-		(497,817)
Balance	30 June 2021	<u>84,110,522</u>		<u>16,132,958</u>

Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Ordinary shares have no par value.

No dividends have been declared or paid by the Company during or since the end of the financial year.

Subject to ASX listing rules, the Company's Board may resolve that the whole or any portion of profits, reserve or other account which is available for distribution, be distributed to shareholder in the same proportions in which they would be entitled to receive it if distributed by way of dividend, or in accordance with relevant terms of issue of any shares or securities.

Notes to the Financial Statements (continued)

If the Company is wound up, whether voluntarily or otherwise, the liquidator may divide among all or any of the contributories, as the liquidator thinks fit, in specie or in kind, any part of the assets of the Company, and may vest any part of the assets of the Company in trustees for the benefit of all or any of the contributories as the liquidator thinks fit.

In the event of winding up of the Company, ordinary shareholders rank after creditors and are entitled to any proceeds of liquidation.

Options

Each option provides the right for the option holder to be issued one ordinary fully paid share by the Company, upon payment of the exercise price of each option. The options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

During the financial year there were 1,570,031 shares issued on the exercise of options (2020: Nil). 3,000,000 unquoted options were granted during the year ended 30 June 2021 (2020: 49,278,461).

Details of options over ordinary shares in the Company that were granted, exercised, vested and expired during the financial year are as follows:

Year ended 30 June 2021

Exercise Price	Vesting Date	ASX Escrow Expiry	Expiry Date	Balance at 1 July 2020		Granted during the year	Exercised during the year	Balance at 30 June 2021	
				Vested Number	Unvested Number			Vested Number	Unvested Number
Unquoted									
\$0.25	5 Dec 2019	18 Dec 2021	5 Dec 2022	17,000,000	-	-	-	17,000,000	
	18 Dec 2019		5 Dec 2022	1,000,000	-	-	-	1,000,000	
\$0.25	1 Nov 2021	Not escrowed	5 Dec 2022	-	750,000	-	-	-	750,000
	16 Dec 2021		5 Dec 2022	-	1,000,000	-	-	-	1,000,000
	21 Jan 2022		5 Dec 2022	-	250,000	-	-	-	250,000
				18,000,000	2,000,000	-	-	18,000,000	2,000,000
\$0.20	15 Jun 2020	Not escrowed	15 Jun 2022	29,278,461	-	-	(1,570,031)	27,708,430	-
\$0.40	24 Dec 2020	Not escrowed	24 Dec 2022	-	-	3,000,000	-	3,000,000	-
				47,278,461	2,000,000	3,000,000	(1,570,031)	48,708,430	2,000,000

Notes to the Financial Statements (continued)

Period ended 30 June 2020

Exercise Price	Vesting Date	ASX Escrow Expiry	Expiry Date	Balance at 19 June 2019		Granted during the period	Exercised during the period	Balance at 30 June 2020	
				Vested Number	Unvested Number	Number	Number	Vested Number	Unvested Number
Unquoted									
\$0.25	5 Dec 2019	18 Dec 2021	5 Dec 2022	-	-	17,000,000	-	17,000,000	
	18 Dec 2019		5 Dec 2022	-	-	1,000,000	-	1,000,000	
\$0.25	1 Nov 2021	Not escrowed	5 Dec 2022	-	-	750,000	-	-	750,000
	16 Dec 2021		5 Dec 2022	-	-	1,000,000	-	-	1,000,000
	21 Jan 2022		5 Dec 2022	-	-	250,000	-	-	250,000
\$0.20				-	-	20,000,000	-	18,000,000	2,000,000
	15 Jun 2020	Not escrowed	15 Jun 2022	-	-	29,278,461	-	29,278,461	-
				-	-	49,278,461	-	47,278,461	2,000,000

Options expenses for the period ended 30 June 2021 totalled \$95,496 (2020: \$111,213).

Share Based Payment Reserve

	Number of Options Granted				
	Initial Public Offer Options	Loyalty Options-	Broker Options	Total	\$
Balance at 19 June 2019	-	-	-	-	-
Cost of raising capital Consideration for NSW Assets	-	23,278,461	-	23,278,461	-
Employee expense	15,000,000	5,000,000	-	20,000,000	1,058,250
Capital raising fee	2,000,000	666,667	-	2,666,667	40,663
Related party expenses ⁷	2,000,000	-	-	2,000,000	141,100
Equity settled share- based payments for the period	1,000,000	333,333	-	1,333,333	70,550
Balance at 30 June 2020	20,000,000	29,278,461	-	49,278,461	1,310,563
Balance at 1 July 2020	20,000,000	29,278,461	-	49,278,461	1,310,563
Options exercised during the year ended 30 June 2021	-	(1,570,031)	-	(1,570,031)	-
Capital raising fee	-	-	3,000,000	3,000,000	276,954
Employee expense ⁸	-	-	-	-	95,496
Balance at 30 June 2021	20,000,000	27,708,430	3,000,000	50,708,430	1,683,013

Broker Options

The fair value of the Broker Options was calculated at the date of grant using the Black Scholes option pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the options recognised as an expense in each reporting period.

Broker Options

Fair value at grant date	\$0.092318
Share price at grant date	\$0.235
Exercise price per option	\$0.400
Expected volatility (weighted average)	100%
Risk free interest rate (based on government bonds)	0.08%

Initial Public Offer Options

The fair value of the Initial Public Offer options was calculated at the date of grant using the Black Scholes option pricing model and allocated to each reporting period evenly over the period from grant date to

⁷ There is a vesting condition of the Company successfully listing on the Australian Securities Exchange within 12 months of the date of granting 1,000,000 incentive options, granted under the initial public offer. As the Company successfully listed on 18 December 2019, all 1,000,000 incentive options vested on 18 December 2019.

⁸ There is a vesting condition of 24 months of continuous employment by the option holder (or controller of the option holder) for 2,000,000 employee options to vest, granted under the initial public offer. At the reporting date, no employee options have vested.

Notes to the Financial Statements (continued)

vesting date. The value disclosed is the portion of the fair value of the options recognised as an expense in each reporting period.

Initial Public Offer Options

Fair value at grant date	\$0.07055
Share price at grant date	\$0.20
Exercise price per option	\$0.25
Expected volatility (weighted average)	61%
Risk free interest rate (based on government bonds)	1.50%

Loyalty Options

The Loyalty Options are free attaching options granted on 15 June 2020 based on 1 loyalty option for every 3 shares, consideration options, incentive options and employee options held on the record date (5 June 2020). The Loyalty Options have been issued to the Company's shareholders and option holders and therefore do not fall within the scope of Australian Accounting Standard AASB 2 Share-based Payment (as amended). Accordingly, the Loyalty Options have a \$Nil value.

The Company's accounting policy for the treatment of equity-settled share-based payment arrangements granted to employees

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

A6. Cash Flow Reconciliation

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Net loss attributable to members of the parent		(1,412,786)	(801,362)
Adjustments for:			
Depreciation and impairment – property plant and equipment (non-cash)	A11	20,928	3,888
Depreciation and impairment – right of use asset (non-cash)	A13	37,235	-
Options expense (non-cash)		95,496	111,213
Operating expenditure paid by issuing shares to Ardea (non-cash)		-	99,329
Other		-	(287)
Operating loss before changes in working capital and provisions		(1,259,127)	(587,219)
Increase in other receivables		(18,693)	(82,881)
Increase in other payables and provisions		44,001	269,394
Adjustments for:			
Increase in working capital for plant and equipment		-	(9,485)
Increase in working capital for exploration costs capitalised		-	(48,034)
Net cash used in operating activities		(1,233,819)	(458,225)

Notes to the Financial Statements (continued)

A7. Prepayments and Other Receivables

Other receivables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition they are stated at amortised cost less impairment losses (see Note B3).

Prepayments are recognised at cost.

	2021 \$	2020 \$
Current		
Prepayments	41,665	13,576
GST	52,838	36,479
Security deposit over rental property	17,714	17,550
Other receivables	5,716	15,276
	117,933	82,881

A8. Current Liabilities Trade and Other Payables

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs. Subsequent to initial recognition, these transactions are measured at amortised cost.

	2021 \$	2020 \$
Current		
Trade payables	30,241	54,649
PAYG Withholding Tax	110,990	67,345
Accruals and other payables	56,581	51,106
	197,812	173,100

A9. Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

Employee Entitlements

	2021 \$	2020 \$
Current		
Annual Leave Provision		
Opening balance	40,925	-
(Decrease) / Increase for period	(40,925)	40,925
Closing balance	-	40,295

Site Restoration Provision

Non-Current		
Opening balance	56,000	-
Increase for period	82,978	56,000
Closing balance	138,978	56,000

Notes to the Financial Statements (continued)

The Company's accounting policy for the treatment of employee entitlements:

(a) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(b) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

(c) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

Site Restoration

In accordance with the Group's environmental policy and applicable legal requirements, a provision for site restoration in respect of disturbed land is recognised when such land is disturbed. At this time, a best estimate of the total area of disturbance and present value restoration cost over the estimated mine is made. From this, an annual charge is derived which is reflected as an expense over the life of the mine and as an increase in the provision.

The balance of the provision is the accumulation of the annual charges, less any remedial work done, which is charged directly against the provision. The unwinding of the effect of discounting on the provision is recognised as a finance cost.

A10. Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less.

	2021	2020
	\$	\$
Bank balances	608,685	323,636
Term deposit - unsecured	4,100,000	4,517,957
Term deposit - secured	20,340	20,000
Cash and cash equivalents in the statements of cash flows	4,729,025	4,861,593

A11. Property, Plant and Equipment

Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see Note B3).

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Notes to the Financial Statements (continued)

Subsequent costs

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the statement of profit or loss and other comprehensive income as an expense as incurred.

Depreciation

Depreciation is charged to the statement of profit or loss and other comprehensive income on a straight-line or diminishing value bases over the estimated useful lives of each part of an item of property, plant and equipment and buildings. Land is not depreciated. The estimated useful lives in the current financial year are as follows:

- Plant and equipment **1 to 5 years**

Property Plant and Equipment consist of:

	Freehold Land \$	Plant and equipment \$	Total \$
Cost			
Balance at 19 June 2019	-	-	-
Additions	367,000	59,809	426,809
Balance at 30 June 2020	367,000	59,809	426,809
Depreciation			
Balance at 19 June 2019	-	-	-
Depreciation change for the period	-	(3,888)	(3,888)
Balance at 30 June 2020	-	(3,888)	(3,888)
Carrying amounts			
At 19 June 2019	-	-	-
At 30 June 2020	367,000	55,921	422,921
2021			
Cost			
Balance at 1 July 2020	367,000	59,809	426,809
Additions	-	27,330	27,330
Balance at 30 June 2021	367,000	87,139	454,139
Depreciation			
Balance at 1 July 2020	-	(3,888)	(3,888)
Depreciation charge for the period	-	(20,928)	(20,928)
Balance at 30 June 2021	-	(24,816)	(24,816)
Carrying amounts			
Balance at 1 July 2020	367,000	55,921	422,921
Balance at 30 June 2021	367,000	62,323	429,323

Notes to the Financial Statements (continued)

A12. Exploration and Evaluation Costs

Exploration and evaluation costs are stated at cost less accumulated amortisation and impairment losses (see Note B3).

	2021 \$	2020 \$
Cost		
Opening balance	8,227,967	-
Additions	2,435,773	8,227,967
Closing balance	10,663,740	8,227,967
Amortisation		
Opening balance	-	-
Amortisation change for the period	-	-
Closing balance	-	-
Carrying amount		
Opening balance	8,227,967	-
Closing balance	10,663,740	8,227,967

The Company's accounting policy for the treatment of its exploration and evaluation costs is in accordance with the following requirements.

Exploration and evaluation assets are measured at cost.

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets pending determination of the technical feasibility and commercial viability of the project. The capitalised costs are presented as intangible exploration and evaluation assets. When a licence is relinquished or a project abandoned, the related costs are recognised in the statement of comprehensive income.

For each area of interest, expenditures incurred in the exploration for and evaluation of mineral resources are partially or fully capitalised and recognised as an exploration and evaluation asset if the requirements below are satisfied.

The Company decides to recognise an exploration and evaluation asset separately for each area of interest.

An exploration and evaluation asset is only recognised in relation to an area of interest if the following conditions are satisfied:

- (a) the rights to tenure of the area of interest are current; and
- (b) at least one of the following conditions is also met:
 - (i) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
 - (ii) exploration and evaluation activities in the area of interest have not at the end of the reporting period reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Notes to the Financial Statements (continued)

An area of interest refers to an individual geological area whereby the presence of a mineral deposit is considered favourable or has been proved to exist. It is common for an area of interest to contract in size progressively, as exploration and evaluation lead towards the identification of a mineral deposit, which may prove to contain economically recoverable reserves. When this happens during the exploration for and evaluation of mineral resources, exploration and evaluation expenditures are still included in the cost of the exploration and evaluation asset notwithstanding that the size of the area of interest may contract as the exploration and evaluation operations progress. In most cases, an area of interest will comprise a single mine or deposit.

A13. *Lease*

On 20 April 2020, the Company executed a deed of agreement for the Company to lease a property at Unit 13, 11 William Street Orange, NSW, 2800 (**Property**) to be used by the Company for offices and storage. As of 30 June 2020, finalisation of the lease was conditional upon the lessor completing agreed office fit-out works.

From the lease commencement date, 9 November 2020, rent was \$70,200 per annum excluding GST indexed for the lease period (initial 3 years with an option to renew for a further 3 years). The Company provided the lessor with a bank undertaking of \$17,550, representing 3-months of rent.

As of 30 June 2021, the Company had the right to obtain economic benefits from the use of the Property, and the right to direct how and for what purpose the Property is used.

At 30 June 2020, the Company did not have the right to obtain economic benefits from the use of the Property, nor the right to direct how and for what purpose the Property is used. At 30 June 2020, the Company recorded the lease as a commitment, which became a lease agreement effective 9 November 2020. Further details are included in Note A14.

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract contains the right to control the use of an identifiable asset for a period in exchange for consideration.

Information about the lease for which the Group is a lessee is presented below.

Right-of-use-asset

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

	Building
	\$
Balance at 1 July 2020	-
Additions to right-of-use assets	382,988
Depreciation charge for the year	(37,235)
Balance at 30 June 2021	345,753

Notes to the Financial Statements (continued)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payment includes fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of the lease payments, the Group uses the incremental borrowing rate of 4.48% per annum at the lease commencement date as the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Maturity analysis- contractual cash flows	2021	2020
	\$	\$
Within one year	56,495	-
One year or later and not later than five years	265,445	-
Later than five years	25,221	-
Total lease liabilities	<u>347,161</u>	-

Lease liabilities included in the statement of financial position

Current	56,495	-
Non-current	290,666	-
	<u>347,161</u>	-

Amounts recognised in profit or loss

	2021	19 June 2019 to 30 June 2020
	\$	\$
Depreciation on right of use asset	37,235	-
Interest on lease liabilities	10,973	-
	<u>48,208</u>	-

Amounts recognised in the statement of cash flows

Lease payments	<u>40,950</u>	-
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A14. Commitments

Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements specified by the New South Wales Government. These obligations are subject to renegotiation when application for a mining lease is made and at other times.

Agreement for Lease

At 30 June 2020, the Company had made an agreement for lease of the Property but did not then have the right to obtain economic benefits from the use of the Property, nor the right to direct how and for what purpose the Property is used.

At 30 June 2020, the Company recorded the agreement for lease as a commitment. Effective 9 November 2020, the agreement for lease converted to a lease of the Property.

Notes to the Financial Statements (continued)

At 30 June 2021, the Company had the right to obtain economic benefits from the use of the Property, and the right to direct how and for what purpose the Property is used. These lease obligations are payable as at 30 June 2021. Further details of the lease liability reported at 30 June 2021 are included in Note A13.

As at 30 June 2021, these obligations are not provided for in the financial report and are payable as follows:

	Exploration expenditure commitments	Agreement for Lease	Total
	\$	\$	\$
2021			
Within one year	858,595	-	858,595
One year or later and not later than five years	1,533,810	-	1,533,810
Later than five years	-	-	-
	2,392,405	-	2,392,405
2020			
Within one year	950,000	70,200	1,020,200
One year or later and not later than five years	3,035,000	140,400	3,175,400
Later than five years	245,000	-	245,000
	4,230,000	210,600	4,440,600

A15. Segment Reporting

An operating segment is a component of the Group that engages in business activities whose operating results are reviewed regularly by the Group's Board and for which discrete financial information is available.

The Group is involved solely in mineral exploration within its 100% controlled Australian-based projects in the Lachlan Fold Belt (LFB) NSW and thus has a single operating segment.

Business and geographical segments

The results and financial position of the Company's single operating segment are prepared on a basis consistent with Australian Accounting Standards and thus no additional disclosures in relation to the revenues, profit or loss, assets and liabilities and other material items have been made. Entity-wide disclosures in relation to the Group's product and services and geographical areas are detailed below.

Products and services

The Group is involved solely in mineral exploration within its 100% controlled Australian-based projects in the Lachlan Fold Belt (LFB) NSW and, as such, currently provides no products for sale.

Geographical areas

The Company's exploration activities are located solely in Australia.

A16. Contingencies

Details of contingent liabilities where the probability of future payments/receipts is not considered remote are set out below:

On 25 July 1991, Tri Origin Exploration Limited and Mr David Timms (a geologist and unrelated party) entered into to a finder's fee agreement (**Finder's Fee Agreement**) pursuant to which the David Timms Estate is eligible to receive a finder's fee in relation to a mineral property in Australia, comprising 2.56 km², and designated as EL 1049 in New South Wales, Australia (**Property**).

Notes to the Financial Statements (continued)

The mining tenement designated as EL 1049 was cancelled in a broader process of replacing a number of licences in the area with a single new licence, EL 5583 (**EL 5583**). TriAusMin Pty Ltd (an entity that is the Company's wholly owned subsidiary), is the registered holder of EL 5583.

The area referred to as the Property in the Finder's Fee Agreement is now located within the boundaries of EL 5583.

On this basis, a portion of EL 5583 (being the 2.56km² Property) is subject to a finder's fee, payable to the David Timms Estate, following commencement of production, or sale of EL5583, capped at A\$2,000,000. The fee is payable in respect of:

- (a) 1/3 proceeds from the sale of EL 5583; or
- (b) 1/3 of net profits from production from the Property; or
- (c) 30% of any royalties received from production from the Property.

A17. *Subsequent Events*

Directors are not aware of any matter or circumstance that has arisen since the end of the financial year that has significantly affected or may significantly affect the Group's operations, the results of these operations or the Group's state of affairs in future financial years.

Notes to the Financial Statements (continued)

Section B – Risk and Judgement

- B. This section outlines the key judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. This section also outlines the significant financial risk the Group is exposed, to which the Directors would like to draw the attention of the readers.

B1. Financial Risk Management

Overview

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

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

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

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Presently, the Group is in exploration phase, therefore does not earn revenue from sales and therefore has no accounts receivables. At the reporting date, there were no significant credit risks in relation to trade receivables.

For the Company, credit risk arises from receivables due from subsidiaries.

Cash and cash equivalents

The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating.

Exposure to credit risk

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

	Note	Carrying Amount 2021 \$	Carrying Amount 2020 \$
Current			
Cash and cash equivalents	A10	4,729,025	4,861,593
Prepayments	A7	41,665	13,576
Other receivables	A7	76,268	69,305
		117,933	82,881
		4,846,958	4,944,474

Notes to the Financial Statements (continued)

Impairment losses

None of the Group's other receivables are past due.

Liquidity risk

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

The Group manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows.

The decision on how the Company will raise future capital will depend on market conditions existing at that time.

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

	Note	Carrying amount \$	Contractual cash flows \$	6 months or less \$
30 June 2021				
Trade and other payables	A8	197,812	197,812	197,812
30 June 2020				
Trade and other payables	A8	173,100	173,100	173,100

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

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

Interest rate risk

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

The Group adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents in short terms deposit at interest rates maturing over three-month rolling periods.

Profile

At the reporting date the interest rate profile of the Group's and the Company's interest-bearing financial instruments was:

Notes to the Financial Statements (continued)

	Carrying amount 2021 \$	Carrying amount 2020 \$
Variable rate instruments		
Financial assets	4,846,958	4,944,474
Financial liabilities	(197,812)	(173,100)
	4,649,146	4,771,374

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the end of the financial year would have increased or decreased profit and loss by \$43,195. This analysis assumes that all other variables remain constant.

Commodity Price Risk

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

Capital and Reserves Management

The Group's objectives when managing capital and reserves are to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital and reserve structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt. The Group's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities.

There were no changes in the Group's approach to capital management during the period. Risk management policies and procedures are established with regular monitoring and reporting.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Financial Instruments

AASB 9 *Financial Instruments* includes guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. AASB 9 has been adopted with no impact and no material changes in comparative information required.

B2. Determination of Fair Values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the Notes specific to that asset or liability.

Notes to the Financial Statements (continued)

Other receivables

The fair value of other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes or when acquired in a business combination.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Share-based payment transactions

The fair value of the share options is measured using the Black Scholes model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

Financial Instruments

AASB 9, including the expected credit loss model for calculating impairment on financial assets, has been adopted with no impact and no material changes in comparative information required.

B3. Impairment

The carrying amounts of the Group's assets other than deferred tax assets (see Note D3), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below).

For intangible assets that are not yet available for use, the recoverable amount is estimated annually, or when facts and circumstances suggest the carrying amount may exceed its recoverable amount.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income unless the asset has been re-valued previously in which case the impairment loss is recognised as a reversal to the extent of the previous revaluation with any excess recognised through the statement of profit or loss and other comprehensive income.

Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a *pro rata* basis.

Calculation of recoverable amount

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the Financial Statements (continued)

B4. Financial Instruments

Effective interest rates and repricing analysis

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the reporting date and the periods in which they reprice.

	Effective interest rate %	Total \$	6 months or less \$	6-12 months \$	1-2 years \$	2-5 years \$	More than 5 years \$
2021							
Cash and cash equivalents	0.45	4,729,025	4,729,025	-	-	-	-
2020							
Cash and cash equivalents	1.14	4,861,593	4,861,593	-	-	-	-

Fair values

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

	Note	Carrying amount 2021 \$	Fair value 2021 \$	Carrying amount 2020 \$	Fair value 2020 \$
Cash and cash equivalents	A10	4,729,025	4,729,025	4,861,593	4,861,593
Prepayments and other receivables	A7	117,933	117,933	82,881	82,881
Trade and other payables	A8	(197,812)	(197,812)	(173,100)	(173,100)
		4,649,146	4,649,146	4,771,374	4,771,374

Notes to the Financial Statements (continued)

Section C – Key Management Personnel and Related Party Disclosures

- C. This section includes information about key management personnel's remunerations, related parties information and any transactions key management personnel or related parties may have had with the Group during the period.

C1. Key Management Personnel Expenses

Share-based payment transactions

The grant date fair value of equity-settled share-based payment awards granted is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

Wages, salaries, and annual leave

Liabilities for benefits such as wages and salaries represent present obligations resulting from services provided to the reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at the reporting date.

	2021	2020
	\$	\$
Salaries and fees	439,700	264,043
Consulting charges	159,470	93,240
Superannuation	39,873	25,085
	639,043	382,368
Termination Benefit	91,667	-
Non-cash key management personal expense from granting of options	44,082	92,079
Key management personnel expenses	774,792	474,447

C2. Key Management Personnel Disclosures

Individual Directors and executive compensation disclosures

Information regarding individual Directors' and executives' compensation and some equity instruments disclosures are required by Corporation Regulation 2M.3.03 and provided in the remuneration report section of the Directors' Report.

Apart from the details disclosed in this Note, no Director has entered into a material contract with the Company or the Group during the financial year and there were no material contracts involving Directors' interests existing at period-end.

Directors' transactions with the Company or its controlled entities

Aggregate amounts payable to Directors and their Director related entities for unpaid Directors' fees, statutory superannuation owed to each Director's superannuation fund, and consulting fees at the reporting date were as follows:

	2021	2020
	\$	\$
Accounts Payable - current		
Directors' fees payable	-	9,106

Notes to the Financial Statements (continued)

The terms and conditions of the transactions with Directors or their Director related entities, outlined above, were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-Director-related entities on an arm's length basis.

C3. Related Party Disclosures

Identity of related parties

The Group has a related party relationship with its subsidiaries (see Note C4) and with its Directors and executive officers.

Other related party transactions

The classes of non-Director related parties are:

- wholly owned subsidiaries;
- partly owned subsidiaries;
- commonly controlled subsidiaries;
- joint ventures;
- associates; and
- Directors of related parties and their personally related entities.

Related party transactions

The following related party transaction charges for Directors' fees, consulting fees, were made with the Group on normal terms and conditions and in the ordinary course of business:

	Transaction Value		Balance Outstanding		Terms
	Year ended 30 Jun 2021	19 June 2019 to 30 June 2020	30 Jun 2021	30 Jun 2020	
	\$	\$	\$	\$	
Cash					
Remuneration					
Directors' Fees	174,683	80,710	-	9,106	Payable at call
Superannuation benefits	16,595	7,672	-	-	
Consulting Fees	13,700	49,500	-	-	
	204,978	137,882	-	9,106	
Non-cash					
Remuneration					
Options remuneration	-	70,551	-	-	
	204,978	208,433	-	9,106	

Notes to the Financial Statements (continued)

C4. Consolidated Entities

	Country of incorporation	Ownership interest 2021 %	Ownership interest 2020 %
Parent entity			
Godolphin Resources Limited	Australia	-	-
Subsidiaries			
Godolphin Tenements Pty Ltd	Australia	100	100
TriAusMin Pty Ltd	Australia	100	100

In the financial statements of the Company, investments in controlled entities and associates are measured at cost and included with other financial assets.

Notes to the Financial Statements (continued)

Section D – Other Disclosures

D. This section includes information that the Directors do not consider to be significant in understanding the financial performance and position of the Group but must be disclosed to comply with the Accounting Standards, the *Corporations Act 2001* (Cth) or the Corporations Regulations.

D1. Other Income

	2021	19 June 2019 to 30 June 2020
	\$	\$
Australian Government Cashflow Boost	100,000	-
Exclusivity Fee	30,000	-
Other income	4,193	-
	134,193	-

D2. Administration Expenses

Accounting / secretarial expense	185,385	99,320
Advertising	24,087	-
Advisory Retainer Fee	40,000	-
Audit fees	20,114	20,000
Compliance: ASX/ASIC/Share Registry fees	81,362	13,693
Consulting fees	31,336	47,375
Information technology / website expense	23,988	22,010
Insurance expense	49,409	32,242
Legal expense	16,232	3,310
Meetings	29,838	-
Memberships/Subscriptions	11,820	2,450
Office rent	3,960	10,260
Other expenses	54,820	23,678
Recruitment fees	35,600	41,104
Travel and accommodation expenses	12,855	23,238
	620,806	338,680

D3. Income Tax

Income tax is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill, the initial recognition of assets and liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets recorded at each reporting date are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Notes to the Financial Statements (continued)

Tax consolidation

The Company and its wholly owned Australian resident entities have formed a tax-consolidated group.

All members of the tax-consolidated group are taxed as a single entity from 4 December 2019. The head entity within the tax-consolidated group is Godolphin Resources Limited.

Current tax expense/ income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the “stand alone taxpayer” approach for each entity, as if it continued to be a taxable entity in its own right.

Any current liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax consolidated group and are recognised by the Company as amounts payable / (receivable) to / (from) other entities in the tax-consolidated group. Any difference between these amounts is recognised by the Company as an equity contribution or distribution.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

As the tax-consolidated group has no income tax payable, the head entity has not entered into a tax funding arrangement in conjunction with other members of the tax-consolidated group which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts.

Numerical reconciliation between tax benefit and pre-tax net loss

	2021	2020
	\$	\$
Loss after interest and before income tax	1,412,786	801,362
Prima facie Income tax benefit at a tax rate of 30%	423,836	240,409
Permanent difference options expense	(28,649)	(33,364)
Other eligible expenditure	76,354	46,485
Temporary differences	706,310	232,845
Decrease in income tax benefit due to:		
Income tax losses not recognised	(1,177,851)	(486,375)
Income tax benefit on pre-tax net loss	-	-

Temporary differences

Deferred Tax Liability	729,341	313,663
Deferred Tax Asset	(23,031)	(80,818)
	706,310	232,845

Unrecognised deferred tax assets

Revenue tax losses	5,947,196	1,621,248
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Notes to the Financial Statements (continued)

The tax losses do not expire under current legislation though these losses are subject to testing under loss recoupment rules in order for them to be utilised. Deferred tax assets have not been recognised in respect of this item because, at this time, it is not probable that future taxable profit will be available against which the benefits can be offset.

At 30 June 2021, the Group had no franking credits available for use in subsequent reporting periods (2020: Nil).

D4. Loss Per Share

Basic earnings per share (EPS) is calculated by dividing the net profit or loss attributable to members of the parent entity for the financial year, after excluding any costs of servicing equity (other than ordinary shares and converting preference shares classified as ordinary shares for EPS calculation purposes), by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue. Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after-tax effect of financial costs associated with dilutive ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary and dilutive potential ordinary shares adjusted for any bonus issue.

The calculation of basic and diluted losses per share for the period ended 30 June 2021 was based on the net loss attributable to ordinary shareholders of \$1,412,786 (2020: \$801,362) and a weighted average number of ordinary shares outstanding during the period ended 30 June 2021 of 77,579,836 (2020: 37,258,162), calculated as follows:

	2021	19 June 2019 to 30 June 2020
	\$	\$
Net loss attributable to members of the parent	1,412,786	801,362
<i>Weighted average number of ordinary shares</i>		
Undiluted Number of Shares	Number	Number
Issued ordinary shares at beginning of period	67,957,151	100
Effect of shares issued 4 December 2019	-	16,587,301
Effect of shares issued 5 December 2019	-	20,581,270
Effect of shares issued 30 April 2020	-	89,491
Effect of shares issued 22 July 2020	17,148	-
Effect of shares issued 18 August 2020	104,388	-
Effect of shares issued 22 October 2020	157,689	-
Effect of shares issued 3 November 2020	546,370	-
Effect of shares issued 16 November 2020	6,420,877	-
Effect of shares issued 24 November 2020	139,793	-
Effect of shares issued 21 December 2020	57,147	-
Effect of shares issued 24 December 2020	2,170,159	-
Effect of shares issued 5 February 2021	7,247	-
Effect of shares issued 8 March 2021	1,867	-
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	77,579,836	37,258,162

50,708,430 (2020: 49,278,461) potential shares were excluded from the calculation of diluted earnings per share because they are antidilutive for the year ended 30 June 2021 as the Company is in a loss position.

Notes to the Financial Statements (continued)

D5. Auditor's Remuneration

	2021	2020
	\$	\$
Auditors of the Company <i>Butler Settineri (Audit) Pty Ltd</i>		
Audit and review of financial reports	20,114	20,000
Non-audit accounting services	-	8,000
	20,114	28,000

D6. Parent Entity Disclosures

The Group has applied amendments to the *Corporations Act 2001* (Cth) that remove the requirements for the Group to lodge parent entity financial statements. Parent entity financial statements have been replaced by the following specific parent entity disclosure.

As at, and throughout, the financial year ended 30 June 2021 the parent company of the Group was Godolphin Resources Limited.

	2021	19 June 2019 to 30 June 2020
	\$	\$
Results of the parent entity		
Net loss attributable to members of the parent	1,414,815	801,362
Other comprehensive income, net of income tax	-	-
Total comprehensive income	1,414,815	801,362
	30 June 2021	30 June 2020
Financial position of parent entity at period end		
Current assets	4,844,929	4,944,474
Non-current assets	11,438,816	8,650,888
Total assets	16,283,745	13,595,362
Current liabilities	254,307	213,395
Non-current liabilities	429,644	56,000
Total liabilities	683,951	269,395
Net Assets	15,599,794	13,325,967
Total equity of the parent entity comprising of:		
Share capital	16,132,958	12,816,766
Reserve	1,683,013	1,310,563
Accumulated Losses	(2,216,177)	(801,362)
Total Equity	15,599,794	13,325,967

Parent entity capital commitments for acquisition of property, plant & equipment

Refer to Note A14 for commitments related to the parent entity.

Contingencies

Refer to Note A16 for contingencies related to the parent entity.

D7. Financing Income and Expenses

Interest income is recognised as it accrues taking into account the effective yield on the financial asset.

Notes to the Financial Statements (continued)

Finance expenses comprise interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

D8. *Derivatives*

The financial entity does not hold any derivative financial instruments.

D9. *GST*

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

D10. *New Accounting Standards*

A number of new standards, amendments to, or interpretations of standards are effective for annual periods beginning 1 January 2020. These new standards and amendments have been applied in preparing these financial statements and none of them have had a significant effect on the financial statements of the Group. All of the effective dates in the tables below refer to the beginning of an annual accounting period.

New currently effective requirements: This table lists the recent changes to the Standards that are required to be adopted in annual periods beginning on 1 January 2020 and annual periods beginning on 1 July 2020.

Effective date	New standards or amendments
1 January 2020	Amendments to References to Conceptual Framework in IFAS Standards
	Definition of Material (Amendments to IAS 1 and IAS 8)
	Definition of a Business (Amendments to IFAS 3)
	Interest Rate Benchmark Reform (Amendments to IFAS 9, IAS 39 and IFAS 7)
	Disclosure of the Effect of New IFAS Standards Not Yet Issued in Australia (Amendments to AASB 1054)

Notes to the Financial Statements (continued)

Forthcoming requirements: This table lists the recent changes to the Standards that are required to be applied for annual periods beginning after 1 January 2021 and that are available for early adoption. None of these changes are expected to have an impact on the future financial statements of the Group.

Effective date	New standards or amendments
1 January 2021	Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
1 January 2022	Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)
	Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
	Reference to the Conceptual Framework (Amendments to IFRS 3)
	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
1 January 2023	Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
	IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts (Early application of IFRS 17 is permitted only for companies that also apply IFRS 9 Financial Instruments)

Directors' Declaration

1. In the opinion of the Directors of Godolphin Resources Limited ("the Company"):
 - (a) the consolidated financial statements and notes that are set out on pages 25 to 59 and the Remuneration Report on pages 12 to 21 in the Directors' Report, are in accordance with the *Corporations Act 2001* (Cth), including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
 - (ii) complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* (Cth) from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2021.

Signed in accordance with a resolution of the Directors.



Jeremy Read
Chair
Brisbane
22 September 2021

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of Godolphin Resources Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Godolphin Resources Limited and the entities it controlled during the year.

BUTLER SETTINERI (AUDIT) PTY LTD



LUCY P GARDNER
Director

Perth

Date: 22 September 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GODOLPHIN RESOURCES LIMITED

Report on the financial report

Opinion

We have audited the financial report of Godolphin Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2021 the consolidated statement of 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, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We have 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 Group 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 (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical requirements 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.

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 for the current year.

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

Capitalised mineral exploration expenditure (refer notes A12 and B3)

The Group operates as an exploration entity and as such its primary activities entail expenditure focussed on the exploration for and evaluation of economically viable mineral deposits. These activities currently relate to several projects in the Lachlan Fold Belt in New South Wales.

All exploration and evaluation expenditure incurred has been capitalised and recognised as an asset in the Statement of Financial Position. The closing value of this asset is \$10,663,740 as at 30 June 2021.

The carrying value of capitalised exploration assets is subjective and is based on the Group's intention and ability to continue to explore the asset. The carrying value may also be affected by the results of ongoing exploration activity indicating that the mineral reserves and resources may not be commercially viable for extraction. This creates a risk that the asset value included within the financial statements may not be recoverable.

Our audit procedures included:

- ensuring the Group's continued right to explore in the relevant exploration areas including assessing documentation such as exploration and mining licences;
- enquiring of management and the directors as to the Group's intentions and strategies for future exploration activity and reviewing budgets and cash flow forecasts;
- assessing the results of recent exploration activity to determine whether there are any indicators suggesting a potential impairment of the carrying value of the asset;
- assessing the Group's ability to finance the planned exploration and evaluation activity; and
- assessing the adequacy of the disclosures made by the Group in the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the 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.

Directors' responsibilities 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 the 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 have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the 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 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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 Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report for the current year and are therefore 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 public interest benefits of such communication.

Report on the remuneration report

Opinion

We have audited the remuneration report included on pages 12 to 21 of the directors' report for the year ended 30 June 2021.

In our opinion the remuneration report of Godolphin Resources Limited for the year complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001.

Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

BUTLER SETTINERI (AUDIT) PTY LTD



LUCY P GARDNER
Director

Perth

Date: 22 September 2021

Additional Shareholder Information

Shares

At a general meeting on a show of hands, each member present in person or by proxy has one vote and on a poll each member present in person or by proxy, attorney or representative of a member has one vote for each fully paid share held by the member.

If a member holds partly paid shares, the number of votes the member has in respect of those shares on a poll is determined as follows:

$$D = (A \times B) / C$$

where:

A is the number of those shares held by the member;

B is the amount paid on each of those shares excluding any amount:

(i) paid or credited as paid in advance of a call; and

(ii) credited as paid on those shares to the extent that it exceeds the value (ascertained at the time of issue of those shares) of the consideration received for the issue of those shares;

C is the issue price of each of those shares; and

D is the number of votes attached to those shares.

At 12 August 2021, issued capital was 84,110,522 ordinary fully paid shares held by 1,732 holders:

Class of shares	If escrowed, end of escrow period	Number of Shares
Quoted ordinary fully paid shares	Not applicable	84,110,422
Unquoted ordinary fully paid shares	18 December 2021 (ASX escrow)	100
Total		84,110,522

20 Largest Holders by Name of Ordinary Shares and their Share Holdings at 12 August 2021:

Rank	Name	Number of Shares	% of Issued Capital
1	JOSCO PTY LTD <O'SHANNASSY FAMILY A/C>	4,203,189	5.00%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,764,335	4.48%
3	KURANA PTY LTD <BUCHHORN UNIT ACCOUNT>	2,817,789	3.35%
4	HAZURN PTY LTD <BUCHHORN SUPER FUND A/C>	2,437,024	2.90%
5	MR DAVID ANTHONY JOHNSTON	2,284,427	2.72%
6	CITICORP NOMINEES PTY LIMITED	2,004,179	2.38%
7	MR OLIVIER DUPUY + MS JULIE DUPUY	1,900,000	2.26%
8	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,423,839	1.69%
9	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	1,351,339	1.61%
10	AUSTRALIAN LAND PTY LTD <THE SOUTHDOWN A/C>	1,333,334	1.59%
11	RED PUMA PTY LTD	1,306,000	1.55%
12	MRS PAMELA JEAN BUCHHORN	1,136,314	1.35%
13	LATSOD PTY LTD <DOSTAL SUPERFUND A/C>	1,015,151	1.21%
14	TOPWEAL PTY LTD <HART SUPER FUND A/C>	950,000	1.13%
15	SACHA TRADING COMPANY PTY LTD <THE JOHN ROSZBACH S/F A/C>	916,081	1.09%
16	MARTIN BUCKLEY <THE M BUCKLEY FAMILY A/C>	849,923	1.01%
17	MR MATTHEW FRANCES TORI	800,000	0.95%
18	MR ANTHONY CHARLES JOHNSTON + MRS MAUREEN MARY JOHNSTON	790,371	0.94%
19	B & J O'SHANNASSY MANAGEMENT PTY LTD	717,317	0.85%
20	MR ANDREW JAMES EASTON	714,441	0.85%
	Top 20 holders of ORDINARY SHARES (TOTAL)	32,715,053	38.91%

Additional Shareholder Information (continued)

Distribution of Share Holders and Share Holdings at 12 August 2021

Range	Holders	Total Shares	% Issued Share Capital
above 0 up to and including 1,000	203	38,589	0.05%
above 1,000 up to and including 5,000	494	1,480,301	1.76%
above 5,000 up to and including 10,000	270	2,041,941	2.43%
above 10,000 up to and including 100,000	629	20,813,064	24.74%
above 100,000	136	59,736,627	71.02%
Totals	1732	84,110,522	100.00%

Unmarketable Parcels at 12 August 2021

	Minimum Parcel Size	Holders	Number of Shares
Minimum \$ 500.00 parcel at \$ 0.155 per share	3,225	511	751,961

Substantial Shareholders at 12 August 2021

	Number of Shares	Proportion of Issued Shares
Ian Buchhorn and associates	6,699,849	7.97%
B O'Shannassy and associates	4,920,506	5.85%

Unquoted Options

At 12 August 2021 there were 50,708,430 unquoted options with various exercise prices and expiry dates.

Exercise Price	Grant Date	Vesting Date	Expiry Date	If escrowed, end of escrow period	Number
\$0.25	5 Dec 2019	5 Dec 2019	5 Dec 2022	18 Dec 2021 (ASX escrow)	17,000,000
	5 Dec 2019	18 Dec 2019	5 Dec 2022		1,000,000
\$0.25	5 Dec 2019	1 Nov 2021	5 Dec 2022	Not applicable	750,000
	5 Dec 2019	16 Dec 2021	5 Dec 2022		1,000,000
	5 Dec 2019	21 Jan 2022	5 Dec 2022		250,000
\$0.20	15 June 2020	15 June 2020	15 June 2022	Not applicable	27,708,430
\$0.40	24 Dec 2020	24 Dec 2020	24 Dec 2022	Not applicable	3,000,000
Total					50,708,430

Each option provides the right for the option holder to be issued one fully paid share by the Company, upon payment of the exercise price of each option.

Over 20% Holders by Name of Options (\$0.25 Exercise Price) and their Option Holdings at 12 August 2021:

Name	Number of Options	% of Total Options
ARDEA RESOURCES LIMITED	15,000,000	75.00%

Over 20% Holders by Name of Options (\$0.40 Exercise Price) and their Option Holdings at 12 August 2021:

Name	Number of Options	% of Total Options
ZENIX NOMINEES PTY LTD	2,500,000	83.33%

Additional Shareholder Information (continued)

Distribution of Option Holders and Option Holdings at 12 August 2021 (\$0.25 Exercise Price)

Range	Holders	Total Options	% of Total Options
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	-	-	-
above 10,000 up to and including 100,000	2	175,000	0.87%
above 100,000	11	19,825,000	99.13%
Totals	13	20,000,000	100.00%

Distribution of Option Holders and Option Holdings at 12 August 2021 (\$0.20 Exercise Price)

Range	Holders	Total Options	% of Total Options
above 0 up to and including 1,000	3,113	547,154	1.97%
above 1,000 up to and including 5,000	505	1,300,386	4.69%
above 5,000 up to and including 10,000	135	1,026,447	3.70%
above 10,000 up to and including 100,000	230	6,940,112	25.05%
above 100,000	40	17,894,331	64.58%
Rounding	-	-	0.01%
Totals	4,023	27,708,430	100.00%

Distribution of Option Holders and Option Holdings at 12 August 2021 (\$0.40 Exercise Price)

Range	Holders	Total Options	% of Total Options
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	-	-	-
above 10,000 up to and including 100,000	2	150,000	5.00%
above 100,000	2	2,850,000	95.00%
Totals	4	3,000,000	100.00%

Additional Shareholder Information (continued)

Mining Exploration Tenements

The Company holds the following exploration and mining licences.

Tenure	Location	Company's Interest	Status
EL 5583	Lewis Ponds ⁹	100%	Live
EL 8323¹⁰	Ophir	100%	Live (subject to Orange farm-in)
EL 8556	Copper Hill East	100%	Live
EL 8966	Mt Bulga	100%	Live
EL 8901	Caledonian	100%	Live
EL 8532	Mt Aubrey	100%	Live
EL 8538	Yeoval	100%	Live
EL 8964	Yallundry	100%	Live
EL 8963	Obley West	100%	Live
EL 8962	Obley North	100%	Live
EL 8890	Cumnock	100%	Live
EL 8554¹⁰	Wisemans Creek	100%	Live (subject to Orange farm-in)
EL 8555¹⁰	Calarie	100%	Live (subject to Orange farm-in)
EL 8580¹⁰	Calarie Central	100%	Live (subject to Orange farm-in)
ML 0739¹⁰	Calarie Lachlan Mine	100%	Live (subject to Orange farm-in)
EL 8061	Gundagai South	100%	Live
EL 8586	Gundagai North	100%	Live
EL 8889	Gundagai	100%	Live
EL8998 (formerly ELA5916)	Gadara	100%	Live
EL9243 (formerly ELA6902)	Goodrich	100%	Live

Use of Funds

Since its admission to the ASX's official list on 16 December 2019 until 30 June 2021, the Company has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives.

Securities Exchange Listing

The Company's ordinary shares are listed on the Australian Securities Exchange. The Company's ASX code for quoted ordinary shares is GRL.

On-Market Buy Back

There is no on-market buy-back.

Corporate Governance Statement

The Company's Corporate Governance statement for the financial year ended 30 June 2021 is available for members to download and access from <https://godolphinresources.com.au/governance>

⁹ Finder's fee to the David Timms Estate on EL5583 sale transaction or production commencement (capped at \$2,000,000) Refer Note A16 for further details.

¹⁰ EL8323, EL8554, EL8555, EL8580 & ML0739 are subject to farm in agreements between the Company & Orange Minerals Pty Ltd (**Orange**) as announced on 18 December 2020. At the date of this report the Company's interest in the tenements remains at 100%.