

GOLDEN MILE RESOURCES LIMITED

ABN 35 614 538 402

**Annual Report for the Year Ended
30 June 2019**

GOLDEN MILE RESOURCES LIMITED
TABLE OF CONTENTS

Table of Contents

REVIEW OF OPERATIONS.....	1
DIRECTORS' REPORT.....	27
AUDITOR'S INDEPENDENCE DECLARATION.....	39
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	40
STATEMENT OF FINANCIAL POSITION.....	41
STATEMENT OF CHANGES IN EQUITY.....	42
STATEMENT OF CASH FLOWS.....	43
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS.....	44
DIRECTORS' DECLARATION.....	61
INDEPENDENT AUDITORS' REPORT.....	62
SHAREHOLDER INFORMATION.....	65
CORPORATE DIRECTORY.....	68

**GOLDEN MILE RESOURCES LIMITED
REVIEW OF OPERATIONS**

Golden Mile Resources (ASX: G88) (“Golden Mile” or “Company”) is pleased to report on the Company’s activities for the annual period ended 30 June 2019. Golden Mile’s work program has included both its nickel-cobalt and gold projects, with a focus on the Quicksilver nickel-cobalt project in the South West Mineral Field and Leonora East gold project in the North-Eastern Goldfields of Western Australia (Figure 1). The Company has recently acquired the Yuinmery Gold Project.

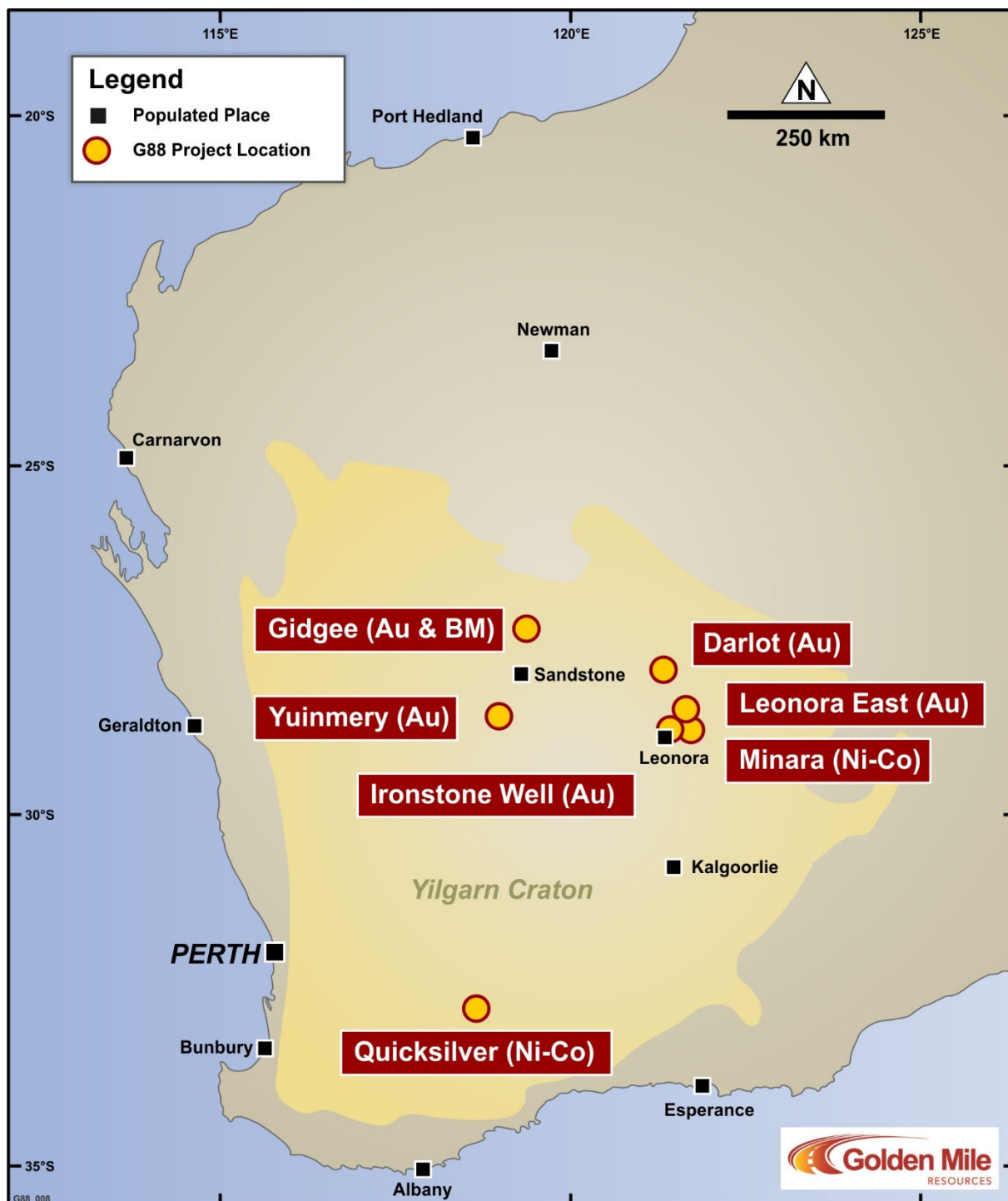


Figure 1 – Golden Mile’s project locations in Western Australia.

1. Leonora East Gold Project

The Company's Leonora East Project comprises two main blocks of tenements, over the Monarch Gold Trend ('MGT') in the north and the Benalla Gold Trend ('BGT') in the south, which is adjacent to the Company's Minara Project area (Figure 2). The tenement blocks are approximately 50 km to the northeast and 30 km to the east of Leonora, respectively.

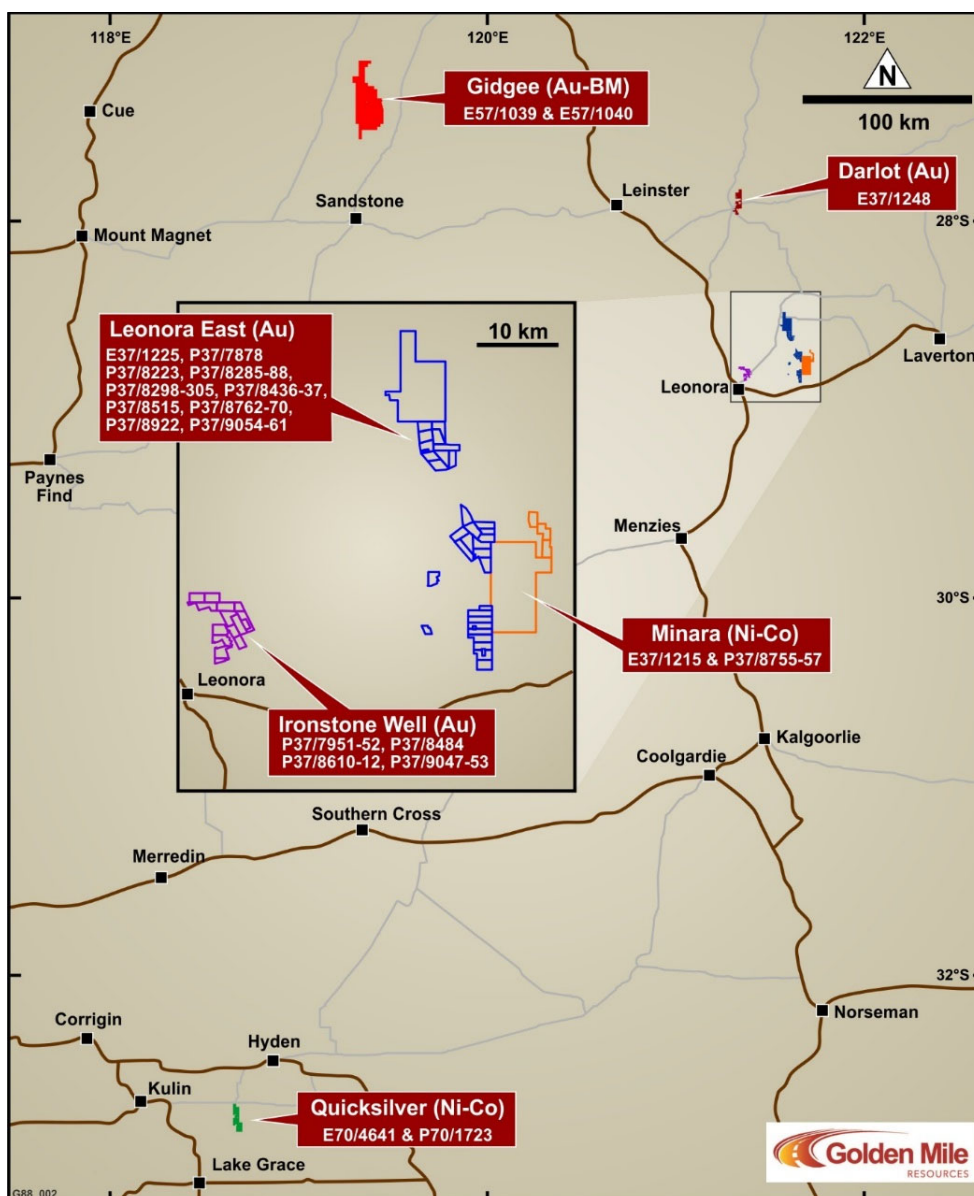


Figure 2 – Golden Mile's project areas in the North-Eastern Goldfields of Western Australia.

The Leonora East Project area is adjacent to the Mertondale Project, where Kin Mining Limited (ASX:KIN) have defined a number of gold deposits with a total Measured, Indicated and Inferred Mineral Resources of 18.2 Mt @ 1.44 g/t gold for 841,000 oz of contained gold (refer to KIN ASX announcement dated 30 August 2019 "Pre-Feasibility Study and Updated Ore Reserve for Cardinia Gold Project"). The northern part of the MGT lies immediately to the east of the Redcliffe Project where NTM Gold Limited (ASX:NTM) have also recently identified multiple new zones of gold mineralisation and have defined an Indicated and Inferred Mineral

GOLDEN MILE RESOURCES LIMITED REVIEW OF OPERATIONS

Resource of 12.53 Mt @1.34 g/t Au for 537.9 koz of gold (*refer to NTM ASX Announcement dated 13 June 2018 "Redcliffe Resource up 94% to 538 koz"*).

Previous exploration by Golden Mile on the Leonora East Project has shown that the tenement areas over the MGT and BGT contain numerous historical workings. Rock chip sampling and prospecting records indicate that the area is prospective for greenstone-hosted gold mineralisation over a significant strike length. An exploration program has been prepared for the Project area and programs of auger drilling have been completed during the reporting period.

1.1 Monarch Gold Trend

The Monarch Gold Trend ('MGT') covers the eastern part of the Mertondale Shear Zone along a granite-greenstone contact that is interpreted to represent a poorly tested but extensive gold bearing structure extending over more than 15 km of strike (Figure 4). Previous work by the Company on the MGT has included mapping and prospecting, which has identified an extensive gold mineralised trend characterised by shearing and faulting and featuring high-grade gold and a large number of historical gold workings. Most of these gold occurrences have not previously been recorded, surveyed or explored utilising modern exploration techniques.

In early 2019 the Company completed an extensive auger sampling program over the MGT. The auger sampling program consisted of 799 shallow, vertical auger holes on a nominal 400 m x 100 m spaced grid, completed using a 4WD-mounted auger drill rig (Figure 3). Each hole was 0.5-1.7 m deep and a sample was collected at the end of hole for analysis by a multi-element assay method.



Figure 3 – Auger drill rig on the Monarch Gold Trend, January 2019.

Sampling has outlined coherent gold anomalism stretching over approximately 11 kilometres of strike, confirming that the MGT contains a significant gold mineralised system and verifying the exploration potential for discovery of significant gold deposit within the Company's tenement area.

Preliminary evaluation indicates that the anomalies may show several discrete, north-northwest trending linear zones of gold mineralisation within the overall MGT which covers a prospective granite-greenstone contact. All

of these anomalies have a strike length and grade continuity that is similar to known gold deposits located further to the west within the Mertondale shear zone.

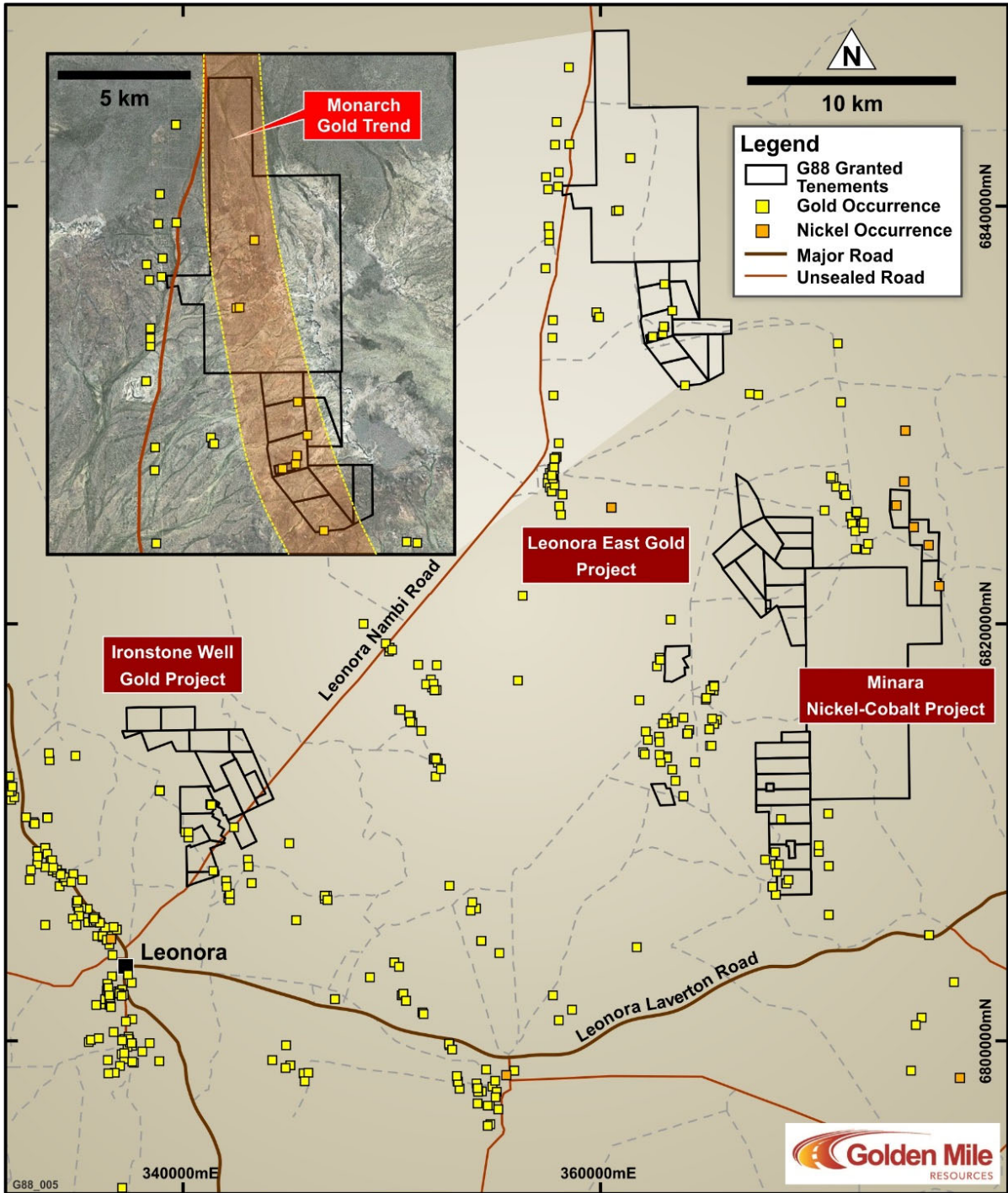


Figure 4 – Location diagram of the Monarch Gold Trend on the Company's Leonora East Project

Results show widespread, coherent near-surface gold anomalism (Figure 5) located over mafic greenstone rocks west of a granitoid contact interpreted from both regional aerial magnetic survey data and geological mapping. The gold anomalies extend over at least 11 km of strike within the MGT, broadly interpreted as two separate areas separated by a section of about 1 km with only low-level results.

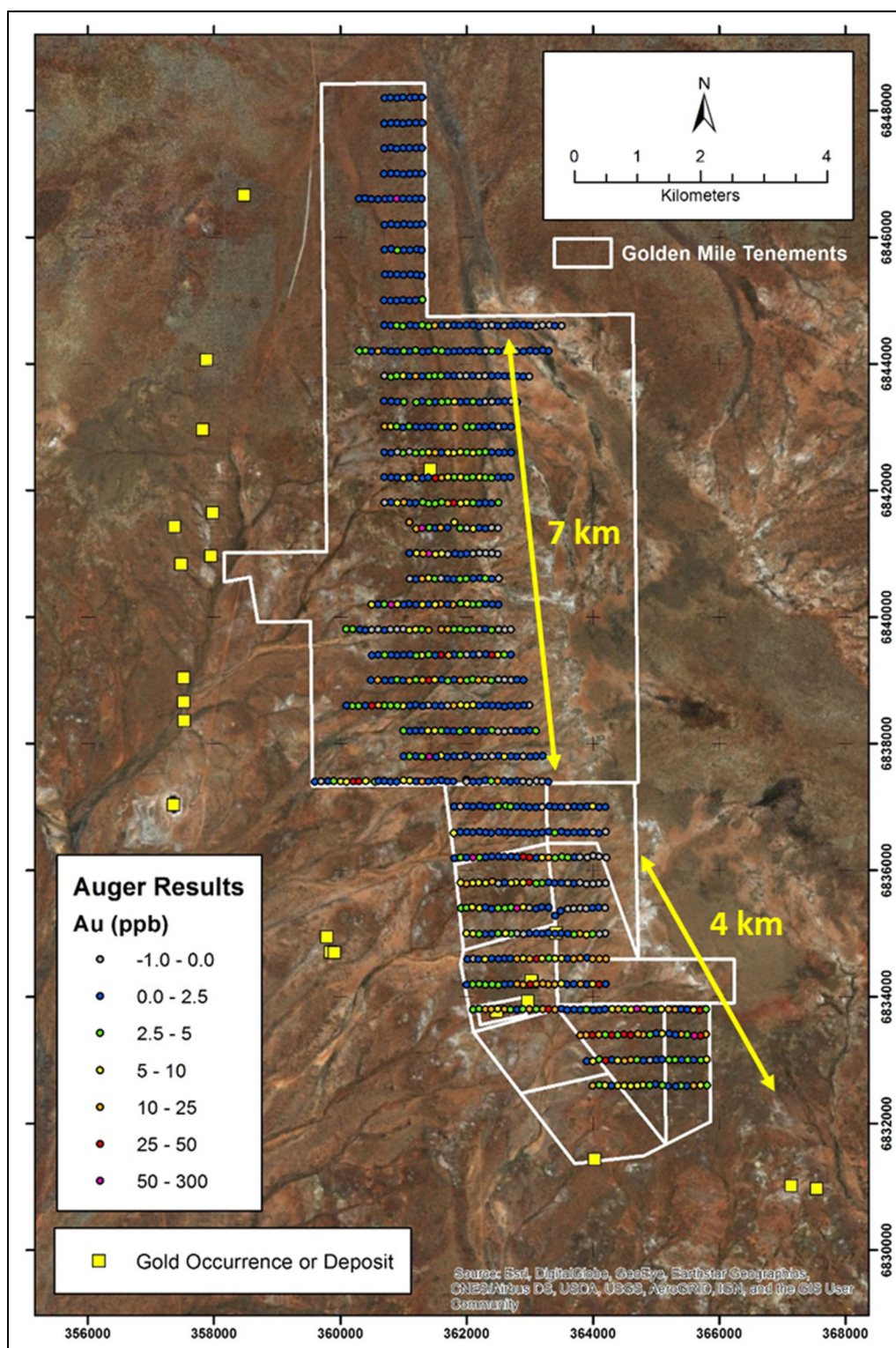


Figure 5 – Results of Golden Mile’s auger sampling showing the distribution of gold anomalies along the Monarch Gold Trend.

Infill sampling was subsequently completed on a more closely-spaced grid in order to refine the location, orientation and continuity of the geochemical anomalies in several key areas. A total of 784 infill auger drill holes were completed, bringing the sample spacing down to a nominal 100 by 100 m grid size (Figure 6). Results

**GOLDEN MILE RESOURCES LIMITED
REVIEW OF OPERATIONS**

show that infill has significantly refined the known anomalies (Figure 7), allowing the Company to review their priority and providing a better understanding of the geological controls on gold mineralisation along the MGT. A number of high priority anomalies have been identified for drill testing.

Geochemical analysis of the anomalies indicates that the regional controls on the distribution of the gold anomalies are related to mineralised structures and a prominent north-south trending granite – greenstone contact. The anomalies are hosted within a distinct basaltic rock-type and have been locally dissected by local alluvial channels, suggesting that the mineralised trends may continue beneath the channels.

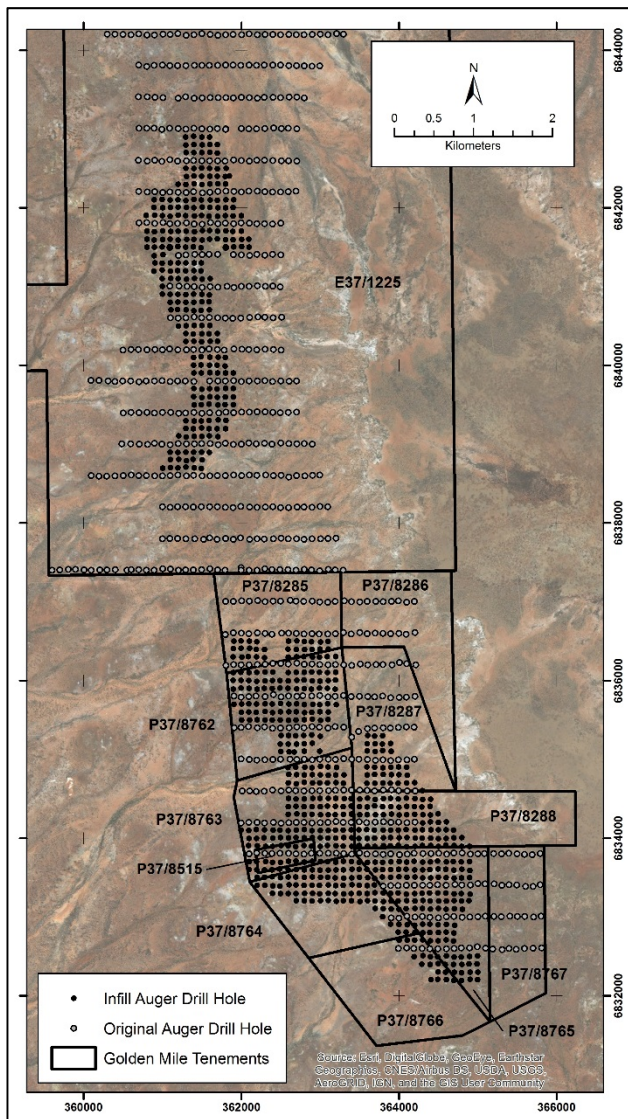


Figure 6 – Location of Golden Mile’s original auger sampling (nominal 400 x 100m grid) and infill auger samples (nominal 100 x 100m grid) over the Monarch Gold Trend.

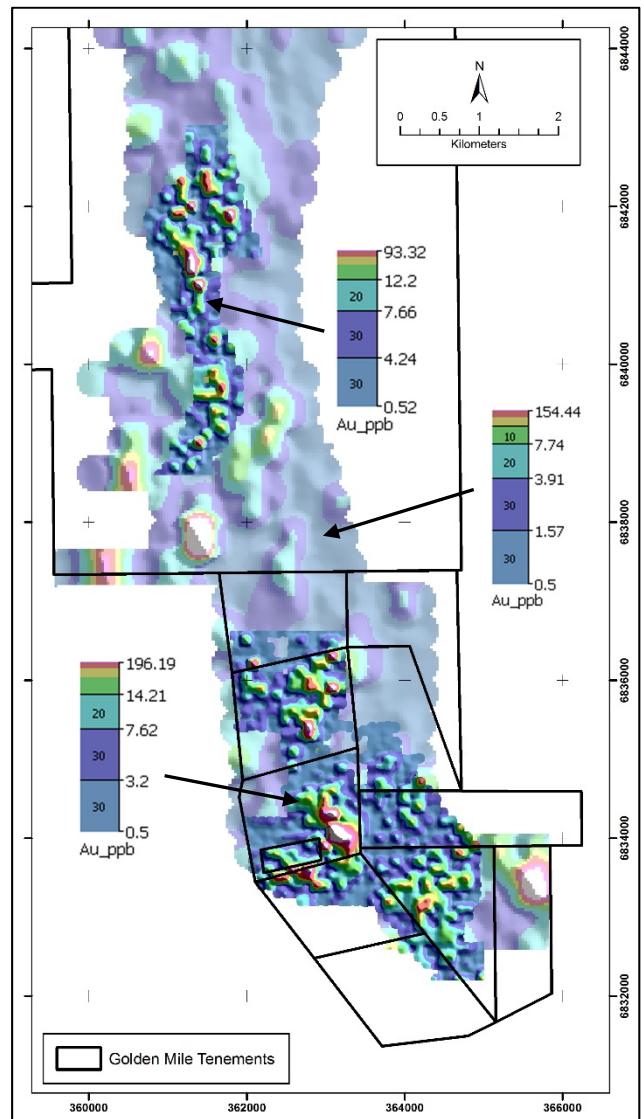


Figure 7 – Results of Golden Mile’s original and infill auger sampling (gridded Au ppb) showing the distribution of the interpreted gold anomalies along the Monarch Gold Trend.

1.2 Benalla Gold Trend

The BGT is located approximately 40 km to the east of Leonora covering the eastern part of the Mertondale Shear Zone and greenstone units of the Benalla anticline (Figure 8). The BGT is located approximately 10 km to the south of the MGT (see above).

Limited systematic exploration has been completed on the Company’s tenements. Historical exploration to date over the BGT area has included prospecting, localised surface soil and rockchip sampling, with very limited aircore drilling follow up on selected targets. This work has identified a number of significant gold occurrences and geochemical anomalies that required confirmation and further definition with a systematic geochemical sampling survey.

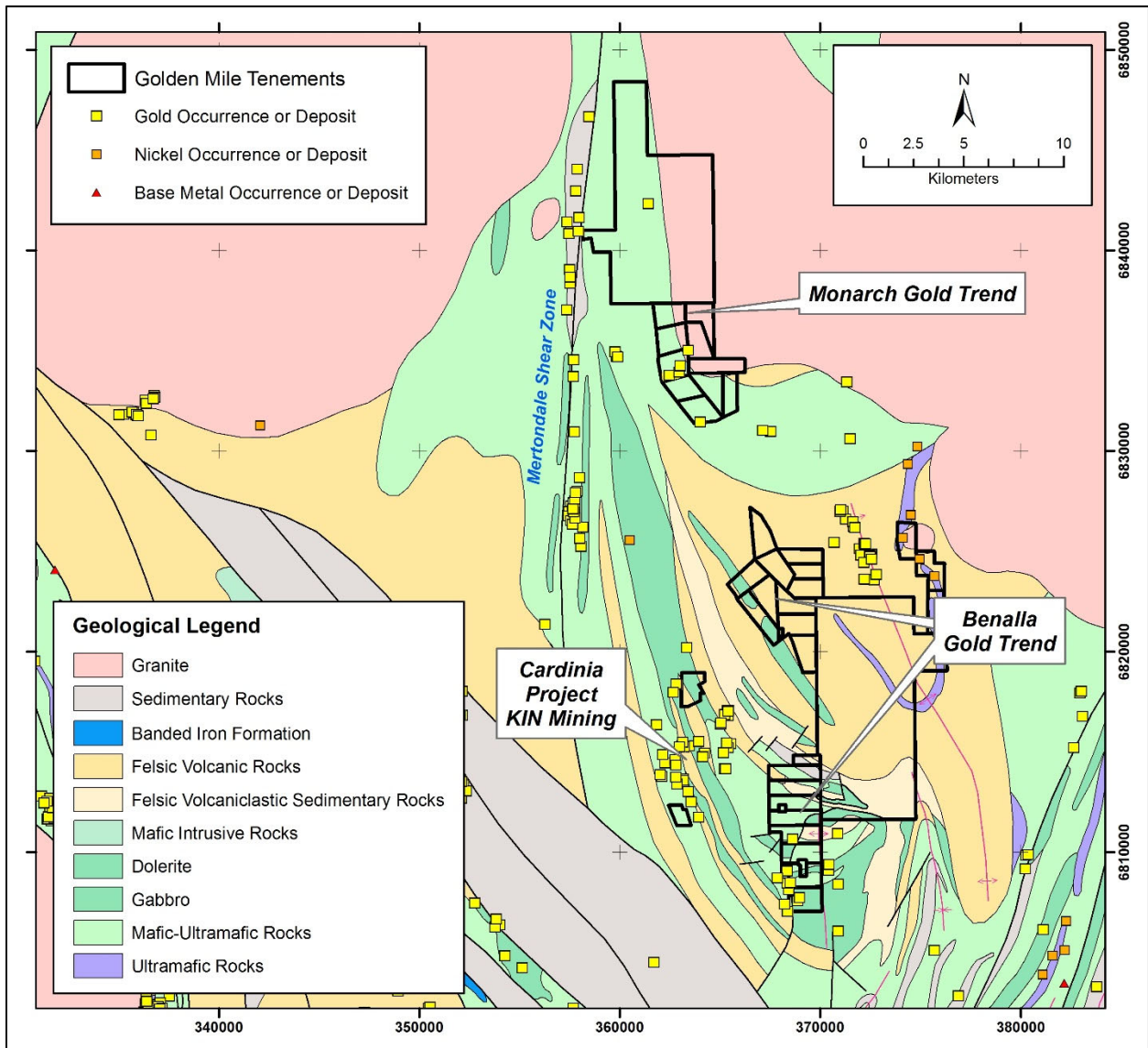


Figure 8 – Regional geology map and location diagram of the Benalla Gold Trend on the Company’s Leonora East Gold Project

During the reporting period the company has completed an auger sampling program that consisted of 854 shallow, vertical auger holes (Figure 9) on a nominal 400 m x 100 m spaced grid, completed using a 4WD-

**GOLDEN MILE RESOURCES LIMITED
REVIEW OF OPERATIONS**

mounted auger drill rig. Each hole was 0.5-2.5 m deep and a sample was collected at the end of hole for analysis by a multi-element assay method.

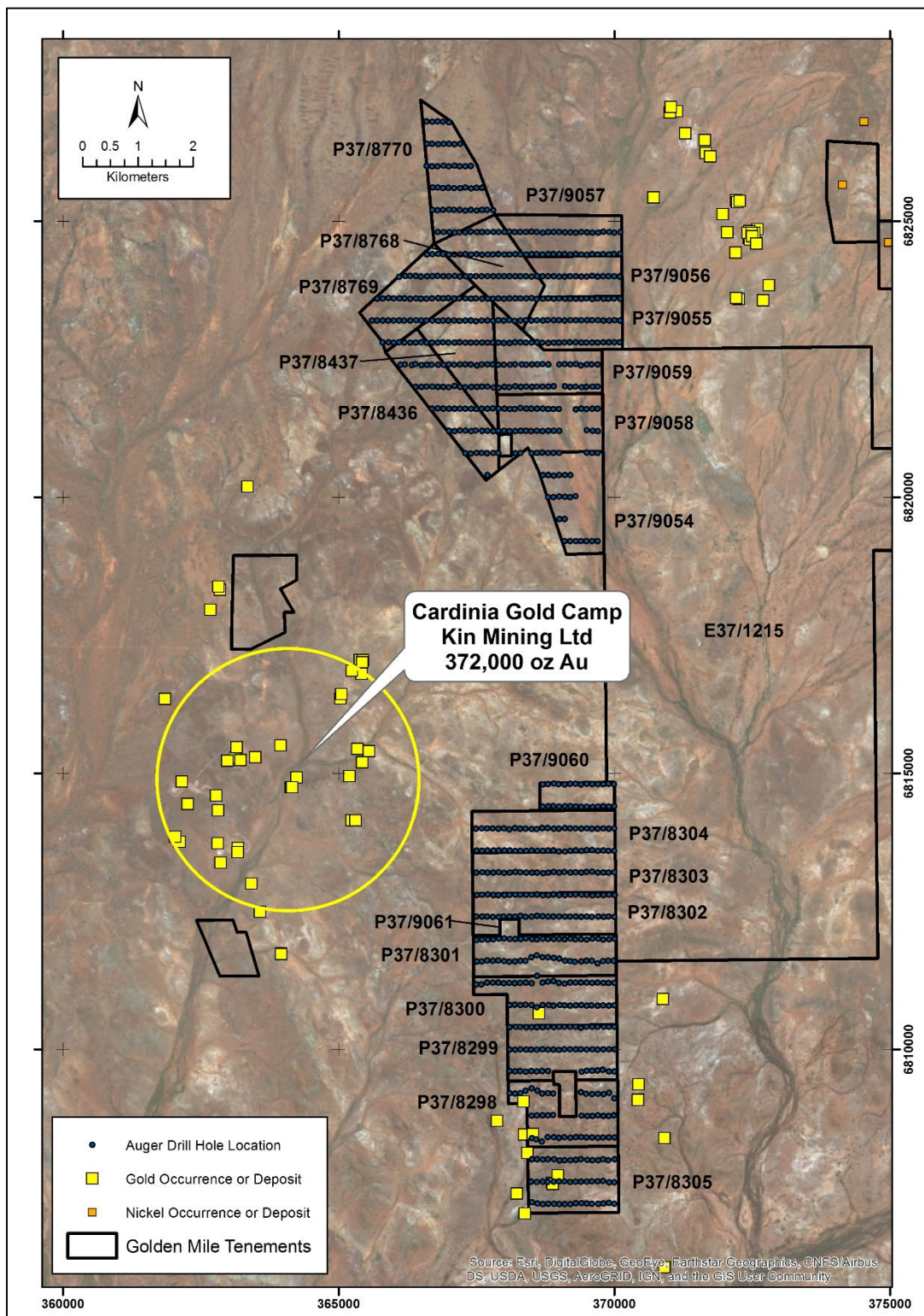


Figure 9 – Diagram showing the location of the completed auger sampling holes on the tenement area adjacent to the Cardinia gold camp being developed by Kin Mining Ltd.

GOLDEN MILE RESOURCES LIMITED REVIEW OF OPERATIONS

Results show widespread, coherent near-surface gold anomalism (Figure 10 and 11). The gold anomalies extend over at least 10 km of strike within the BGT, broadly interpreted as being associated with a series of northwest to northeast trending mineralised structures in the bedrock.

These anomalies confirm the Company's interpretation that the BGT contains a significant gold mineralised system. Moreover, the scale of the anomalies is sufficient to potentially indicate the presence of a significant gold deposit.

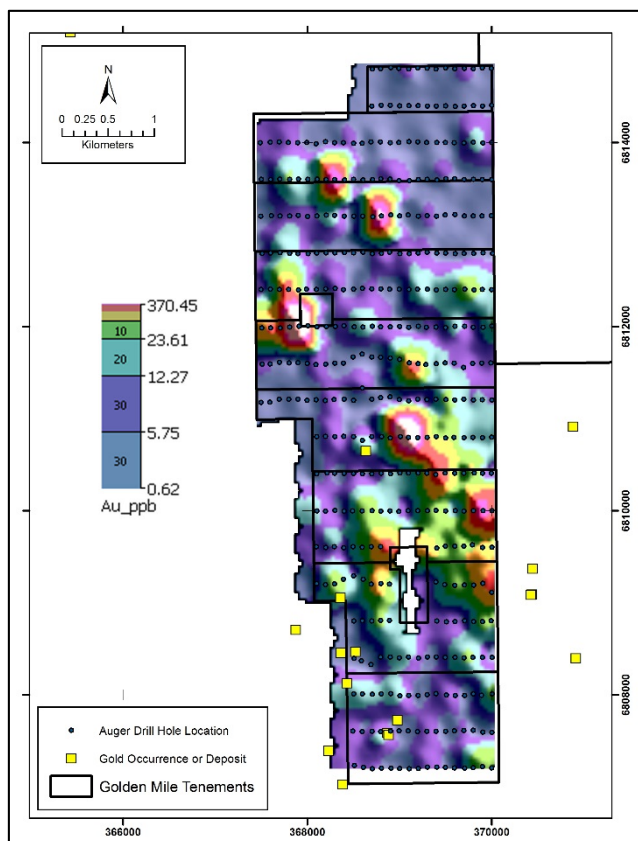


Figure 10 – Results of Golden Mile's auger sampling (gridded Au values) showing the distribution of gold anomalies in the southern part the Benalla Gold Trend.

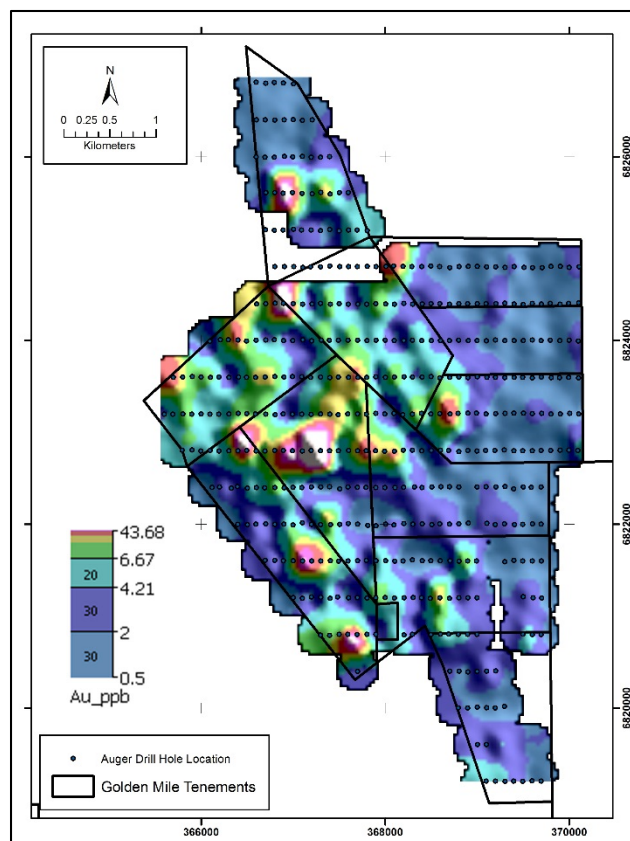


Figure 11 – Results of Golden Mile's auger sampling (gridded Au values) showing the distribution of gold anomalies in the northern part of the Benalla Gold Trend.

2.3 Further Work

The gold anomalies identified by the auger sampling on the MGT and BGT have a scale and coherence that indicate the presence of a significant gold mineralised system. The Company is planning extensive follow-up exploration including aircore or RC percussion drill testing of key target areas.

2. Quicksilver Nickel-Cobalt Project

The Quicksilver Nickel-Cobalt Project is located near the wheatbelt town of Pingaring in the South West Mineral Field of Western Australia, approximately 280 km southeast of Perth (Figure 12). The Project comprises one granted exploration license (E70/4641) and one granted prospecting license (P70/1723) that are 100% owned by the Company and collectively cover a total area of 51.13 km².

The Project tenements cover approximately 15 kilometres of prospective mafic-ultramafic greenstone stratigraphy that is primarily located on privately owned farmland in an area with excellent local infrastructure, including easy access to grid power, sealed roads and a railway line to key ports.



Figure 12 – Quicksilver Project location.

Golden Mile has completed systematic drill testing with aircore and reverse circulation (RC) percussion drilling that has defined an extensive lateritic nickel-cobalt deposit at the Garard's Prospect (Figure 13). During the reporting period a maiden resource estimate was completed for the nickel-cobalt deposit and metallurgical testwork was initiated.

The project is also considered prospective for sulphide nickel mineralisation. Exploration drilling was undertaken during the reporting period to test a number of 'Category 1' geophysical conductors identified by ground electromagnetic (EM) surveys north of the Garard's Prospect.

2.1 Garard's Prospect

The Garard's Prospect is located in the southern Quicksilver Project area and covers over 3 kilometres of strike. Reverse circulation (RC) percussion and aircore drilling programs previously completed by the Company have

**GOLDEN MILE RESOURCES LIMITED
REVIEW OF OPERATIONS**

been highly successful and delineated an extensive zone of near surface lateritic nickel-cobalt mineralisation. Further evaluation of the nickel-cobalt deposit continued during the reporting period.

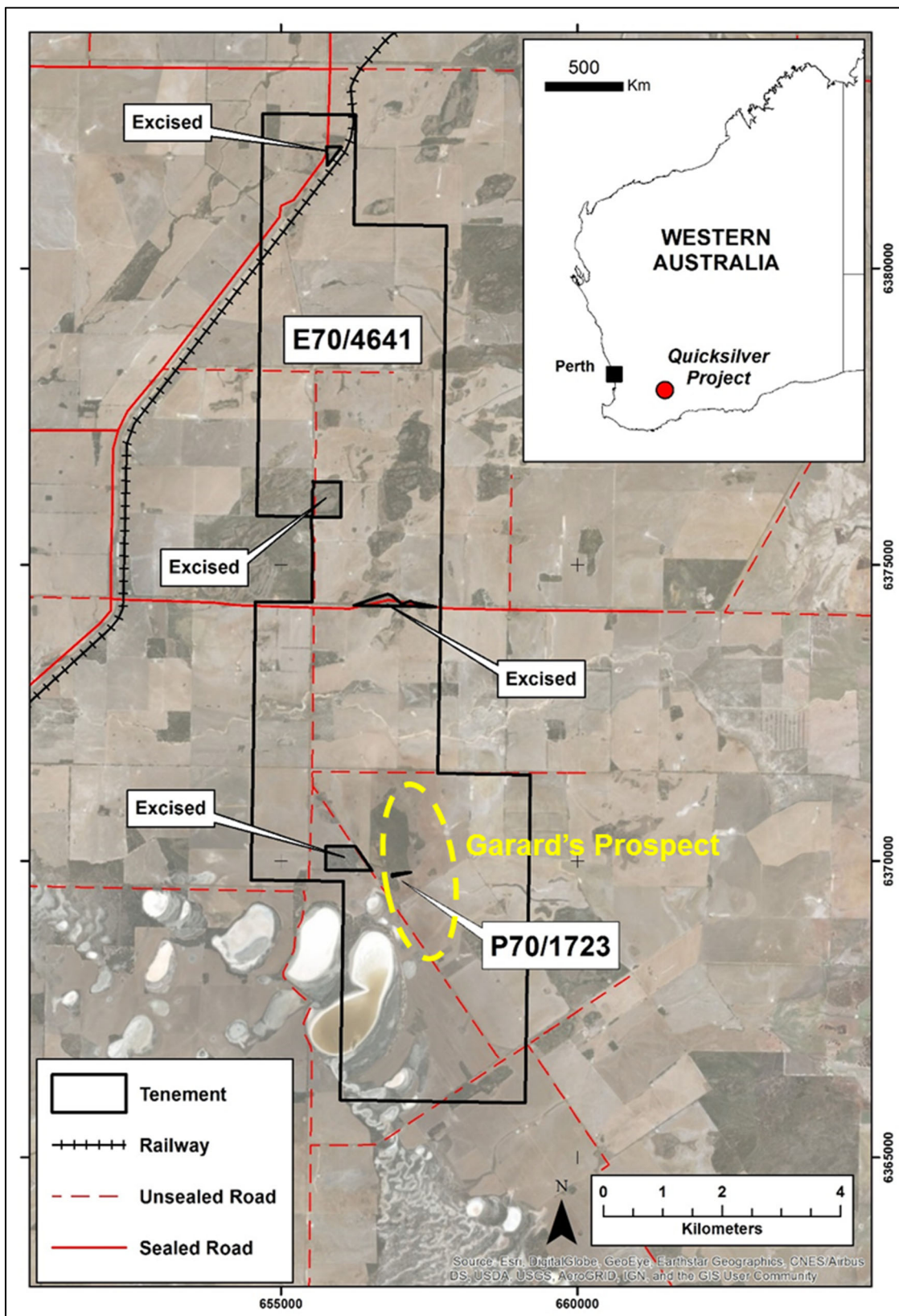


Figure 13 – Quicksilver Project tenements shown over a surface image

2.1.1 Diamond Drilling

Three shallow, vertical diamond drill holes (QDD0001-3) were successfully completed at Garard's prospect (Figure 14) for a total of 247.9m of core drilling. All three holes were twins of existing RC percussion drill holes and were principally designed to obtain representative core samples through the nickel-cobalt mineralisation so that an accurate measurement of the rock density could be obtained for the forthcoming resource estimation for the deposit.

These are the first diamond drill holes into the deposit and they have provided a valuable insight into the nature of the weathering profile and its relationship to the nickel and cobalt mineralisation, which was required to assist with resource estimation and metallurgical testwork (see below).

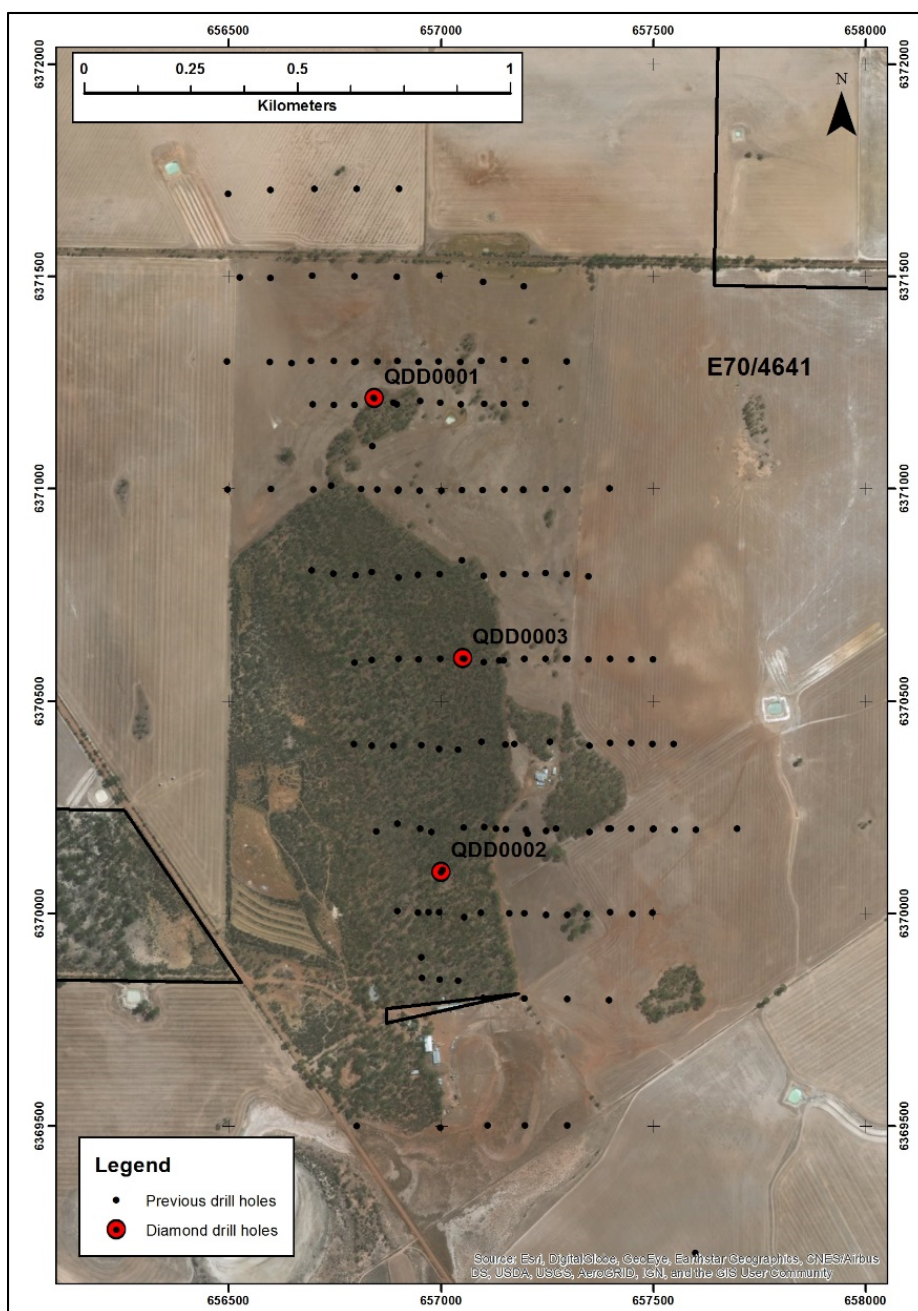


Figure 14 – Location of diamond drill holes completed at the Garard's Prospect.

GOLDEN MILE RESOURCES LIMITED
REVIEW OF OPERATIONS

2.1.2 Lithogeochemistry

The Company engaged Dr Nigel Brand of Geochemical Solutions Pty Ltd to undertake a lithogeochemical assessment of the deposit at Garard's. Dr Brand is a highly experienced geochemist and an expert in nickel laterites.

The Company has compiled a comprehensive multi-element assay database suitable for mapping out different rock types and to assess the key regolith domains which are important controls on the distribution of mineralisation. A review of the assay data by Dr Brand has shown that the mineralisation is contained within two main zones of the laterite, the Upper Saprolite and Lower Saprolite zones.

2.1.3 Resource Estimate

In October 2018 the Company commissioned Payne Geological Services Pty Ltd which completed a maiden resource estimate for the deposit at Garard's Prospect. The total Mineral Resource (see Table 1) for the deposit is 26.3 million tonnes grading 0.64% nickel and 0.04% cobalt (using a cut-off grade >0.5% Ni or >0.05% Co). The estimated resource contains approximately 168,500 tonnes of nickel and 11,300 tonnes of cobalt metal.

Nickel ("Ni") and cobalt ("Co") mineralisation is hosted within the weathering profile developed over interpreted Archaean ultramafic rocks, which are within a metamorphosed granite/greenstone sequence. A nickel envelope was interpreted using a 0.4% Ni cut-off. This provided a largely continuous horizon typically 20 m to 50 m in thickness (Figure 15). A distinct zone of cobalt enrichment is also present in the deposit. A cobalt envelope was interpreted using a 0.04% Co cut-off which defined a largely continuous blanket of mineralisation typically 5 m to 15 m in thickness (Figure 16). The majority of the cobalt-rich blanket occurs within the upper part of the nickel envelope however in places it extends above the nickel envelope (Figure 17).

The main Garard's Prospect has a strike length of 2,000 m and is up to 700 m wide. The majority of mineralisation is within 50 m of surface, with a maximum depth of 105 m. A second zone of nickel enrichment has been delineated over a strike length of 700 m at the Garard's South prospect. This zone remains open to the south.

Table 1: Quicksilver November 2018 Mineral Resource estimate (>0.5% Ni or >0.05% Co cut-off)

Ni Domain	Class	Tonnes Mt	Ni %	Co %	Ni Metal Tonnes	Co Metal Tonnes
High Ni >0.5% Ni	Indicated	4.1	0.75	0.047	30,600	1,900
	Inferred	19.0	0.67	0.037	126,800	7,000
	Sub Total	23.1	0.68	0.039	157,300	9,000
Low Ni, High Co <0.5% Ni, >0.05% Co	Indicated	0.3	0.42	0.077	1,300	200
	Inferred	2.8	0.35	0.075	10,000	2,100
	Sub Total	3.1	0.35	0.076	11,100	2,400
Total >0.5% Ni or >0.05% Co	Indicated	4.4	0.72	0.049	31,900	2,100
	Inferred	21.9	0.63	0.042	136,600	9,100
	Sub Total	26.3	0.64	0.043	168,500	11,300

(Rounding discrepancies may occur in summary tables)

The deposit was delineated by Golden Mile with air core ("AC"), reverse circulation ("RC") and diamond drilling ("DD") completed in 2017 and 2018. The Mineral Resource is defined by a total of 111 drill holes for 9,048 m.

The Mineral Resources have been classified as Indicated and Inferred Mineral Resources in accordance with the JORC Code, 2012 Edition and are shown in Table 1. This table represents the total deposit and is reported using a cut-off grade of > 0.5% Ni or > 0.05% Co.

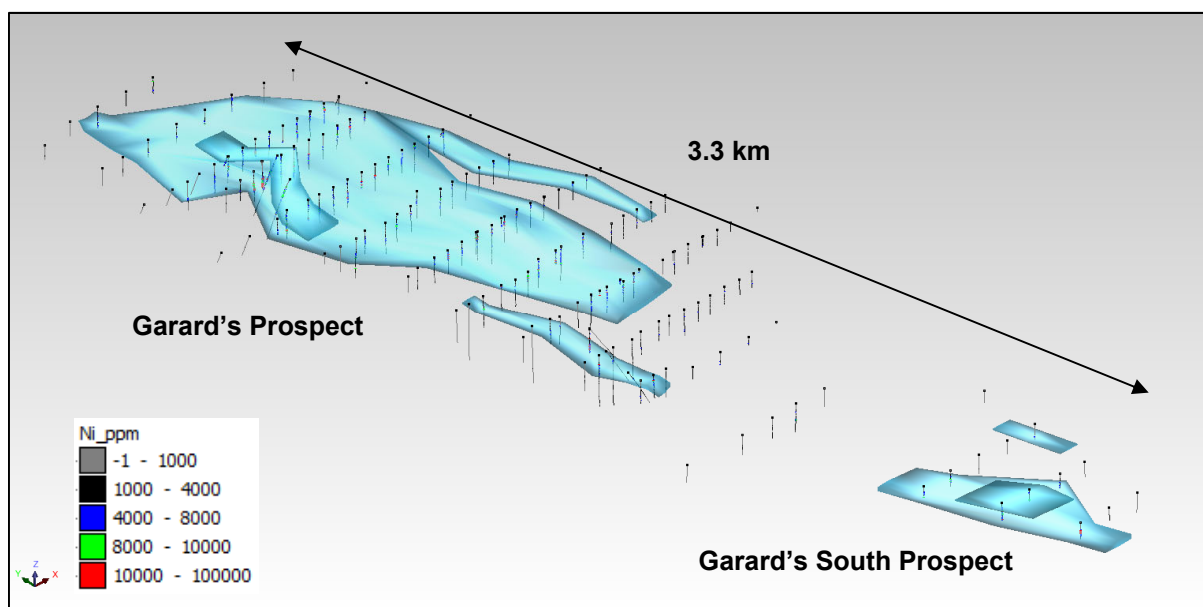


Figure 15 – Oblique 3D view of the Quicksilver Ni-Co deposit showing the 0.4% nickel envelope (view to the northeast).
Drill holes coloured by Ni%.

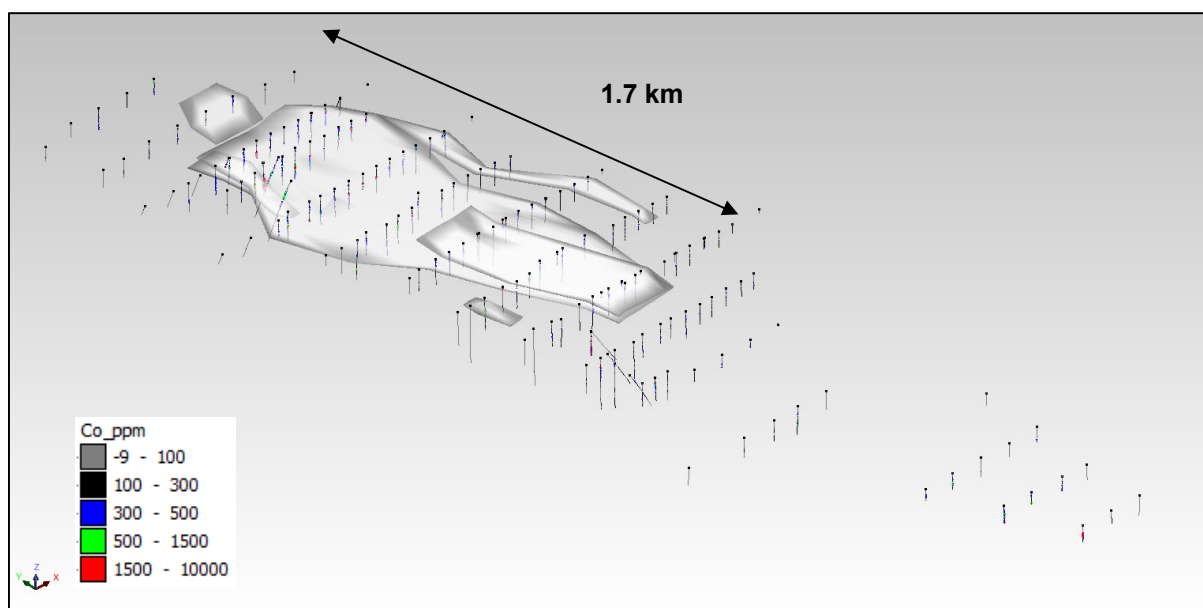


Figure 16 – Oblique 3D view of the Quicksilver Ni-Co deposit showing the 0.04% cobalt envelope (view to the northeast).
Drill holes coloured by Co%.

1.1.4 Metallurgical Testwork

In December 2018 the Company initiated a preliminary metallurgical testwork program on nickel-cobalt mineralised samples from the Garard's Prospect. The metallurgical characterisation of this mineralisation is required in order to assess the strategy for the future exploration and development of the deposit.

The Company has commissioned ALS Metallurgy to undertake the testwork, which is designed to provide preliminary information on the leaching characteristics of the mineralisation. The scope of the testwork has been developed in conjunction with Boyd Willis, an independent metallurgist with extensive expertise in the processing of lateritic nickel deposits.

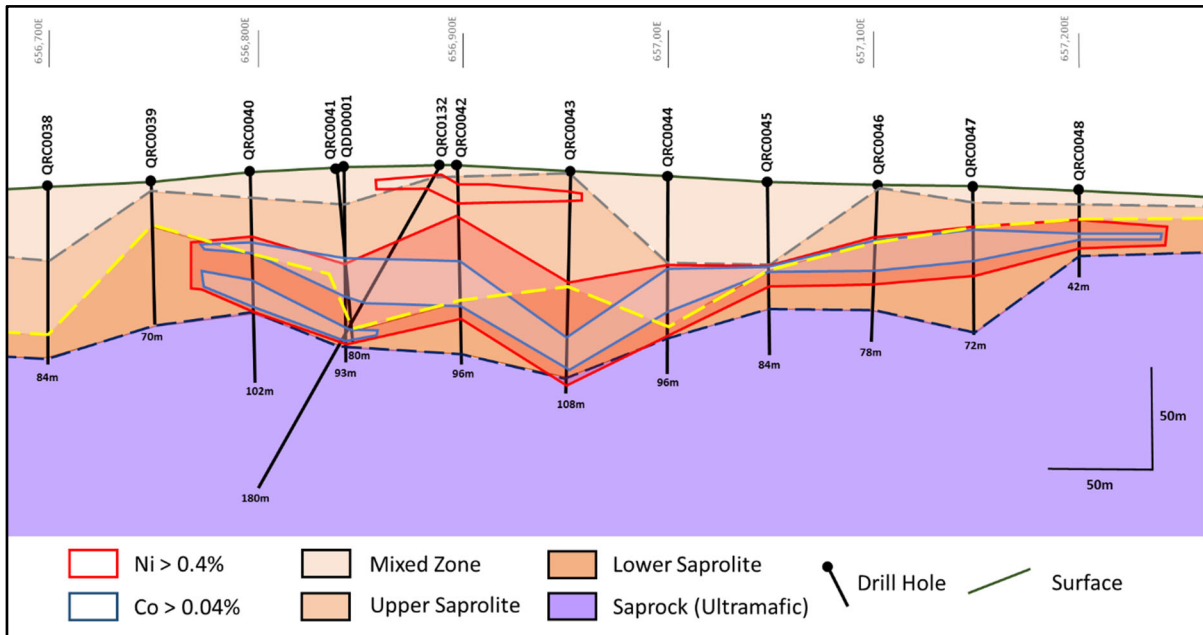


Figure 17 – Schematic cross section of the Garard's prospect along section line 6,371,200N showing simplified geological zones based on litho-geochemical interpretation and geological logging.

Approximately 200 kg of mineralised material collected from RC percussion drilling samples has been supplied to ALS Metallurgy in order to prepare representative composite samples for the testwork. These composites reflect the two key mineralogical and geochemical zones that have been identified within the deposit and that contain the bulk of the mineral resource.

Testwork completed by ALS Metallurgy comprised a bench-top scale program that included 1) atmospheric leaching to assess recoveries of nickel and cobalt using sulfuric acid; 2) size-by-size analysis to assess the potential effectiveness of screening and scrubbing of the mineralised material; and 3) settling tests.

Metallurgical testwork results show that good metal recoveries for an atmospheric leaching process were achieved at comparatively low sulfuric acid doses. The results are considered to be very encouraging considering they are derived from preliminary bench-scale testwork and have not been optimised.

The encouraging results of the preliminary metallurgical testwork gives Golden Mile further confidence that the Quicksilver Project has potential to become a viable mining development, subject to the completion of the necessary technical and economic evaluations. Accordingly, the Company intends to progress further evaluation of the project to assess development options.

Further metallurgical testwork has been recommended to the Company to ensure that composite samples representative of the global mineral resource are obtained, variability within the resource is evaluated, and processing parameters are optimised. When appropriate, continuous leaching and/or large scale batch testing is recommended to establish the parameters for a commercial operation.

2.2 Sulphide Exploration

Expert nickel exploration consultants, Newexco, were engaged to guide the Company's exploration program for nickel sulphide mineralisation. Previously completed surface electromagnetic (EM) surveys of the tenement area allowed Newexco to identify and model a number of 'Category 1' EM conductors that were considered prospective for sulphide mineralisation (Figure 18).

2.2.1 Wyatt's Prospect

The first geophysical target tested by the Company is the Wyatt's Prospect, where RC percussion drilling intersected semi-massive to massive sulphides. During the reporting period two deeper angled diamond drill holes (QDD0004 and QDD0005) were subsequently completed at the Wyatt's Prospect for a total of 441.4 m of drilling.

The diamond drill holes both intersected a 6-8 metre wide zone of semi-massive to massive sulphides dominated by pyrrhotite-pyrite mineralisation, with lesser chalcopyrite. This mineralisation coincides with the modelled position of the EM anomaly and is interpreted to be its source. Assay results show that the sulphide mineralisation in anomalous in copper but does not contain any significant nickel grades.

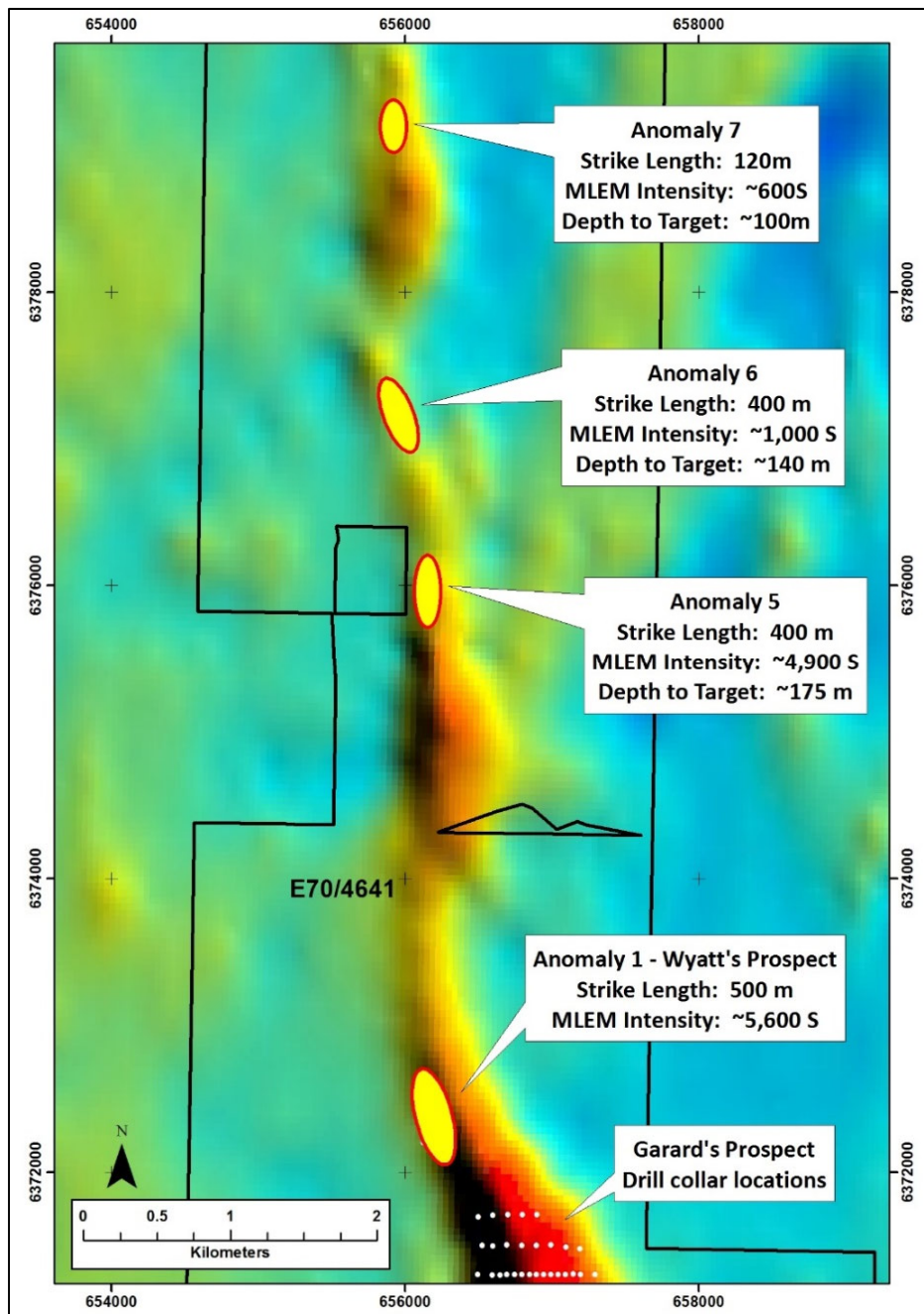


Figure 18 – Category 1 EM targets overlain on regional magnetic image.



Figure 19 – Diamond drill rig at the Wyatt’s prospect.



Figure 20 – Massive sulphide mineralisation from hole QDD0004, length 15cm, approximately 214 metres depth downhole

2.2.2 Other EM Targets

The Company subsequently completed a program of 3 RC percussion drill holes to test three other Category 1 conductor targets at the Baker’s, Rocky Dam and Railway Prospects (Figure 21). The drilling confirmed that the EM anomalies are sourced by conductive sulphide mineralisation similar to that previously discovered at the Wyatt’s Prospect.

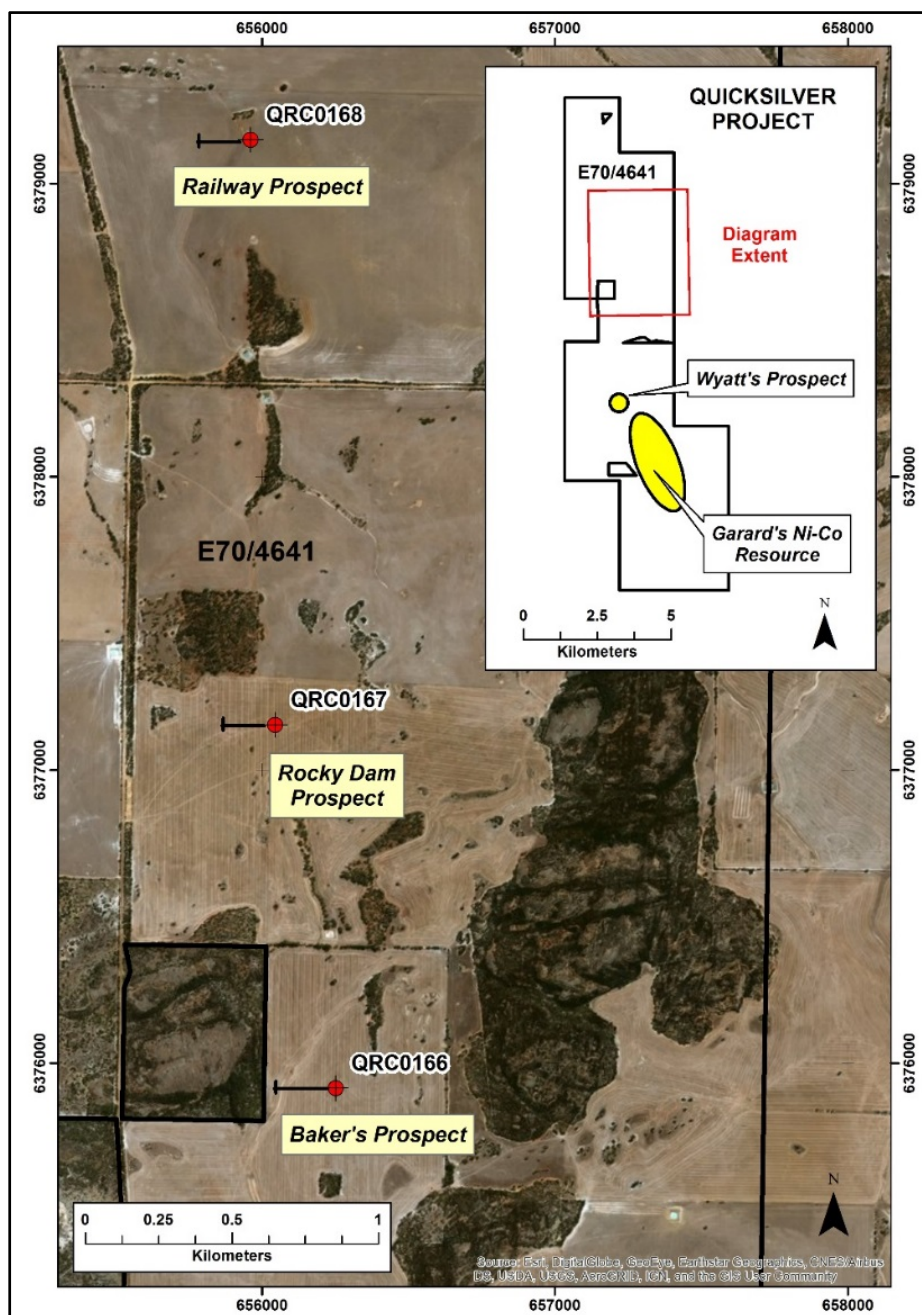


Figure 21 – RC percussion drill hole locations in the northern part of the Quicksilver Project area.

Zones of semi-massive to disseminated sulphide mineralisation was intersected in all three holes. The sulphides are dominated by pyrrhotite-pyrite mineralisation with some chalcopyrite. No significant intersections were identified from assay samples and the sulphides contain only weakly anomalous nickel and copper mineralisation.

The Company has now completed drill testing of all the shallow Category 1 geophysical anomalies identified at the Quicksilver Project. From a technical perspective it was important to determine the source of the conductors, determine if there was any base metal mineralisation in the sulphide and validate the exploration model. The sulphide zones intersected do not contain significant mineralisation and therefore no further follow-up drilling is considered necessary.

2.3 Further Work

The Company is progressively advancing technical studies of the deposit at Garard’s Prospect with the aim of progressing to a scoping study level evaluation of the deposit. The completed resource estimate and metallurgical testwork currently being undertaken by the Company, in conjunction with a thorough understanding of the geology of the deposit, will be critical to determine the mining and processing options that the Company will consider at this stage in the development of the project.

3. Yuinmery Gold Project

Post the reporting period the Company entered into a binding purchase agreement with Legend Resources Pty Ltd (“Legend”) to acquire a 100% interest in the Yuinmery Gold Project (EL57/1043), located in the Youanmi Gold Mining District of Western Australia (Figure 1). Recent prospecting on the ground has discovered a number of large gold nuggets from previously unknown mineralised quartz veins, suggesting potential for high-grade mineralisation similar to that reported at Penny North by Spectrum Metals Limited and at Currans North by Venus Metals Corporation Limited.

The Youanmi Gold Mining District has recently enjoyed a surge of exploration activity and investment attention due to the success of several companies, including high-grade drilling intersections made by Spectrum Metals Limited (ASX:SPX) at the Penny North gold project, and by Venus Metals Corporation Limited (ASX:VMC)/Rox Resources Limited (ASX:RXL) at Currans North and around the Youanmi Gold Mine (Figure 22).

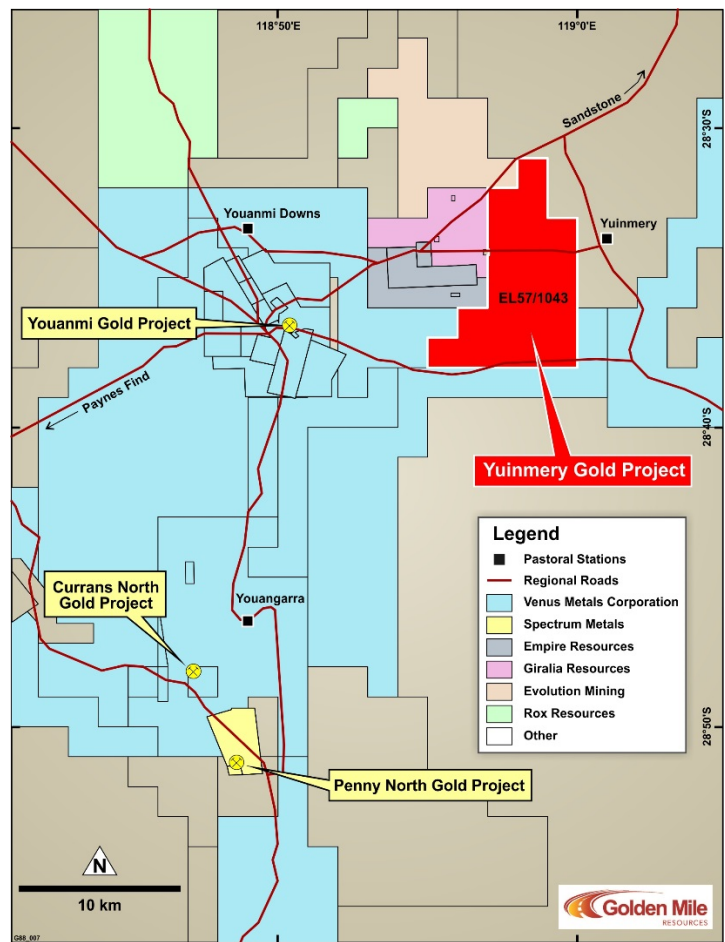


Figure 22 – Tenement status map of the Yuinmery Gold Project (EL57/1043) showing proximity of the project to the Youanmi Gold Project and the Currans North Gold Project (Venus Metals Corporation Limited/Rox Resources Limited), and the Penny North Gold Project (Spectrum Metals Limited).

**GOLDEN MILE RESOURCES LIMITED
REVIEW OF OPERATIONS**

The Yuinmery Gold Project comprises Exploration Licence 57/1043, which has a total area of 21 graticular blocks (approximately 63.3 km²). The exploration licence was granted on 11 October 2016 for a 5 year term. The area is located approximately 10 km from the Youanmi Gold Mine and 80 km from the town of Sandstone. The project area is easily accessible from the Paynes Find – Sandstone road and then via pastoral station access tracks (Figure 22).

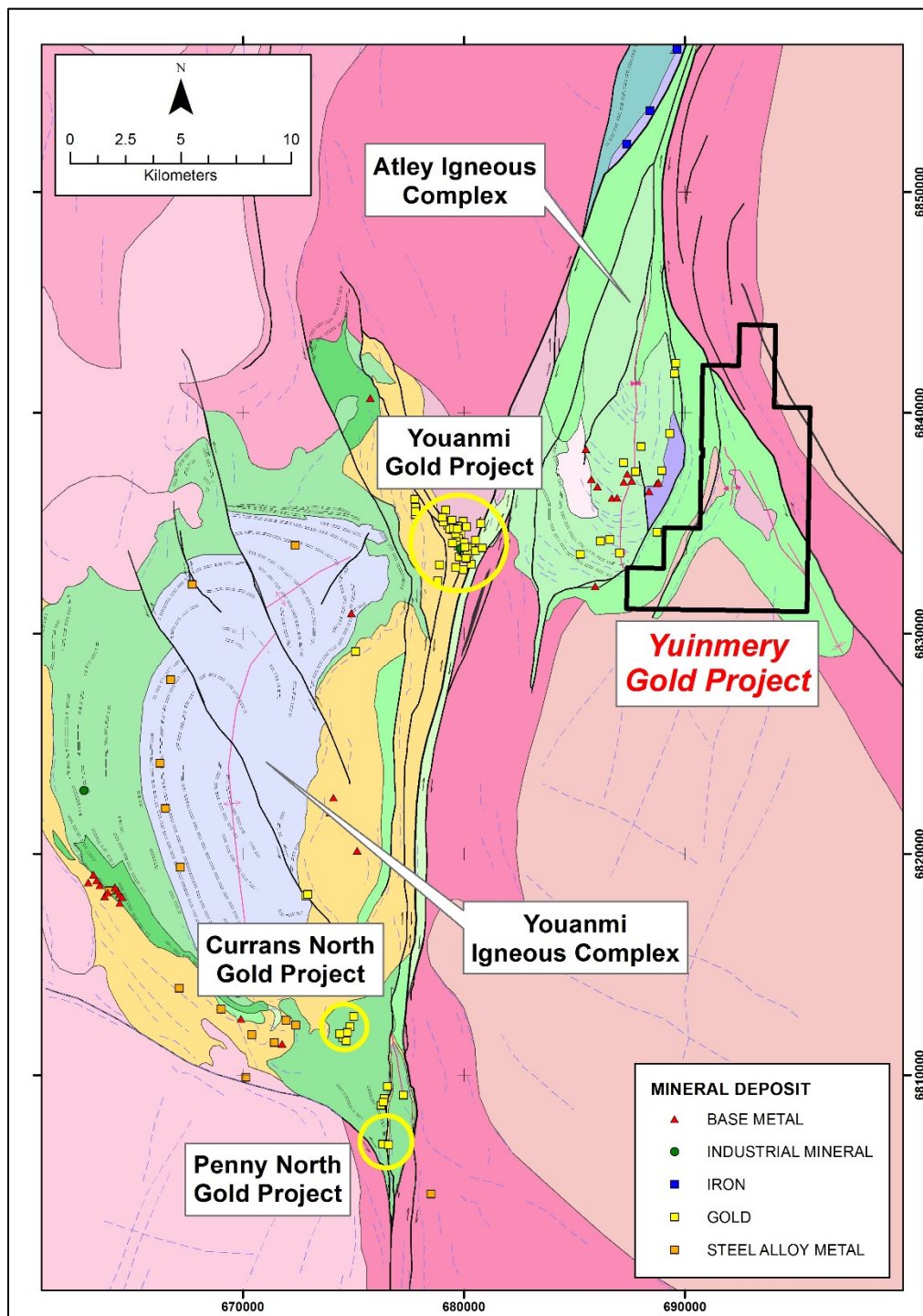


Figure 23 – Simplified interpreted regional geology map of the Yuinmery Gold Project (EL57/1043) showing important rock types, structures and mineral deposits. Red and pink – granitic rocks; purple – ultramafic rocks; green – gabbro and dolerite; orange – felsic volcanic rocks.

The Yuinmery Project area covers a portion of the Archaean Atley Igneous Complex (Figure 23), locally known as the Youanmi Greenstone Belt. The Atley Igneous Complex is known to host gold mineralisation and also a number of copper-gold sulphide deposits. The Atley Igneous Complex is separated from the Youanmi Igneous Complex to the southwest by the Youanmi Shear Zone, a north – northeast trending mineralised structure that hosts significant gold mineralisation at the Youanmi and Penny West deposits.

Rock types in the project area consist largely of metamorphosed and deformed intermediate to mafic volcanic and intrusive rocks, with some ultramafic volcanic rocks and localised banded iron formations. The Yuinmery Project area is bounded by poorly outcropping granites in the northeast and south of the tenement and large parts of the area are covered by transported alluvial deposits. The major Yuinmery Shear Zone trends north-northwest within the tenement area and adjoins the Youanmi Fault to the north of the project area. Another major structure known as the Central Shear Zone trends north-northeast along the western side of the tenement. Known gold mineralisation is apparently associated with these structures and secondary splays.

Previous exploration on the tenement area has been conducted during the 1990's by Gold Mines of Australia and Quartz Mountain Mining. Since 2000, La Mancha and Empire Resources have been active in the area. Works during this time have included mapping, aerial surveys, soil and auger geochemical sampling. Limited RAB drilling completed in the area has returned some anomalous gold values. Recently the tenement has been held by prospectors who have recovered alluvial gold and large gold nuggets from near-surface decomposed quartz veins.

Several exciting discoveries have been made by these prospectors, including a number of near-surface, high-grade gold reefs and alluvial gold occurrences. These quartz reefs were found by “old-school” methods such as surface loam sampling and were not discovered by historical miners, nor identified by previous explorers. None of the known occurrences have been drill tested, suggesting that there is potential for the discovery of a significant gold mineralised system.

The styles of structure, lithology and mineralisation documented by previous explorers at Yuinmery are considered to bear strong similarities with the Penny West deposit south of Youanmi. A comprehensive exploration program is planned to further understand and progress the evaluation of the new gold discoveries and the overall Yuinmery Greenstone Belt. The Company has available funding to fast-track its exploration program of the project subject to statutory approvals.

3. Ironstone Well Gold Project

The Ironstone Well Project is located approximately 6 km to the northeast of the town of Leonora (Figure 2) and is easily accessed via the Leonora-Nambi Road (Figure 24). Golden Mile has undertaken preliminary exploration at Ironstone Well and has identified a number of prospective targets for gold mineralisation supported by historical geochemical, geophysical and drilling datasets.

In late 2017 a short program of shallow RC percussion drilling was completed over the Natasha Prospect (Figure 25). The program of 19 RC percussion holes was completed for 1,227 metres, with several holes intersecting significant grades of gold mineralisation over narrow intervals from 1 to 7 m. This drilling was designed to test and infill, several phases of drilling undertaken by previous workers, some of which had intersected high-grade gold mineralisation.

The Company is evaluating additional exploration targets within project area with a view to implementing further field programs. Prospecting is active within the project area.

**GOLDEN MILE RESOURCES LIMITED
REVIEW OF OPERATIONS**

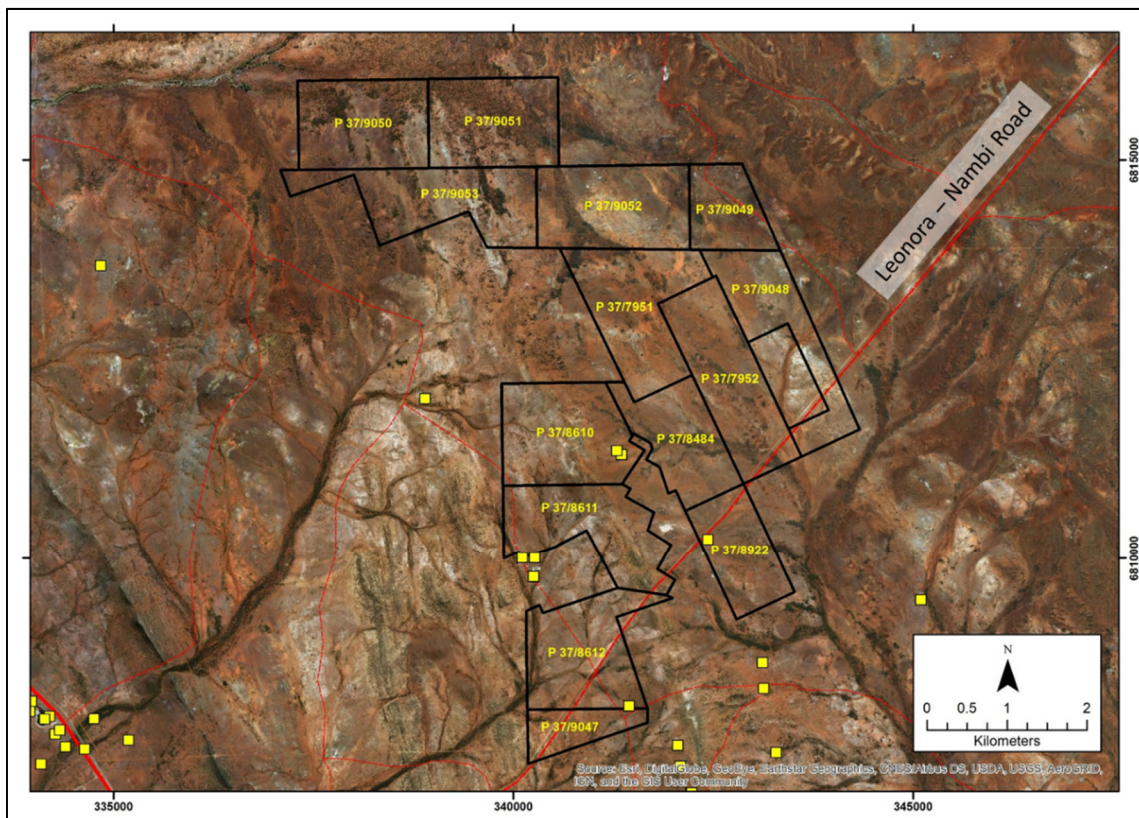


Figure 24 – Ironstone Well tenements and location of known gold occurrences (yellow squares).

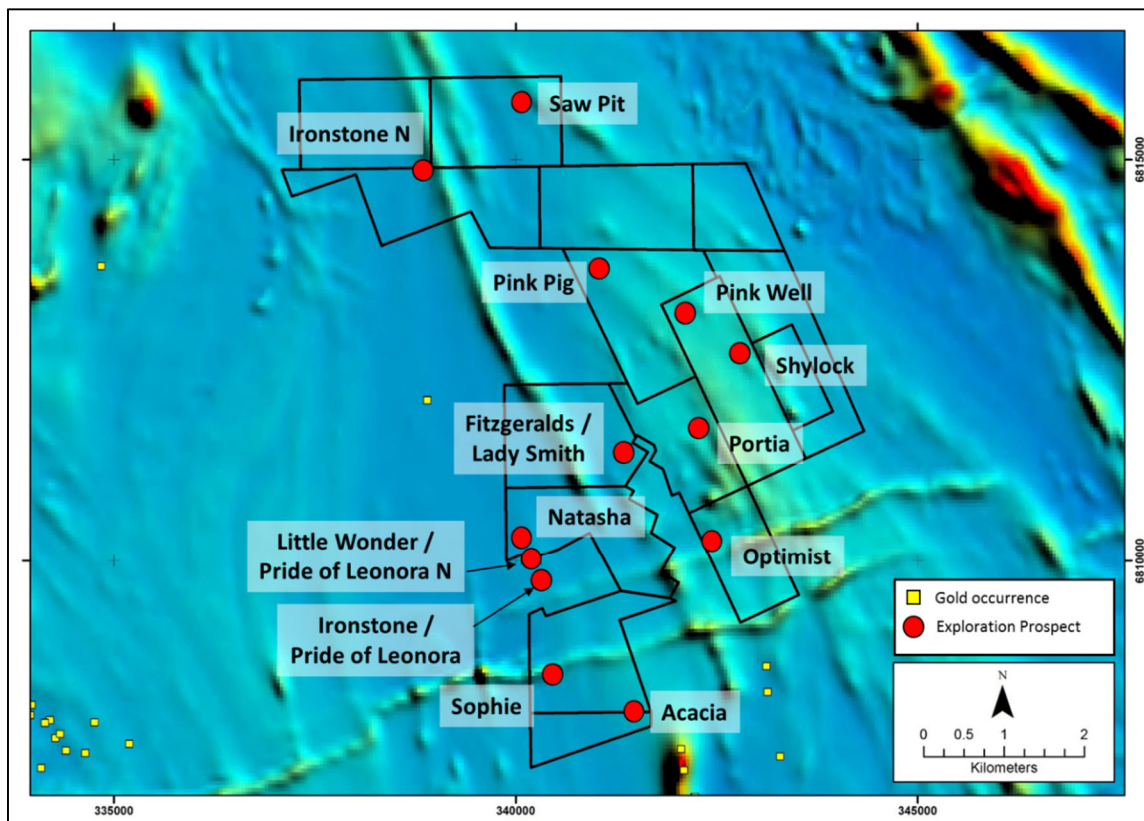


Figure 25 – Ironstone Well Project showing prospect locations over TMI magnetic image.

4. Minara Nickel-Cobalt Project - Leonora Region, NE Goldfields

The Minara Nickel-Cobalt Project is located approximately 30 km to the east of Leonora (Figure 2), to the northwest of Glencore’s Murrin Murrin nickel mine. The Minara Project consists of 3 granted prospecting licences (P 37/8755-8777) and one granted exploration licence (E 37/1215).

Exploration by previous workers has outlined a number of lateritic nickel-cobalt deposits along the Waite Kauri Trend (Figure 26) which require infill drilling to allow the estimation of a JORC Code 2012 compliant resource.

The current work program at Minara includes detailed evaluation of previous exploration and drilling, with a view to planning further infill and extensional drilling to increase the known resources in the project area.

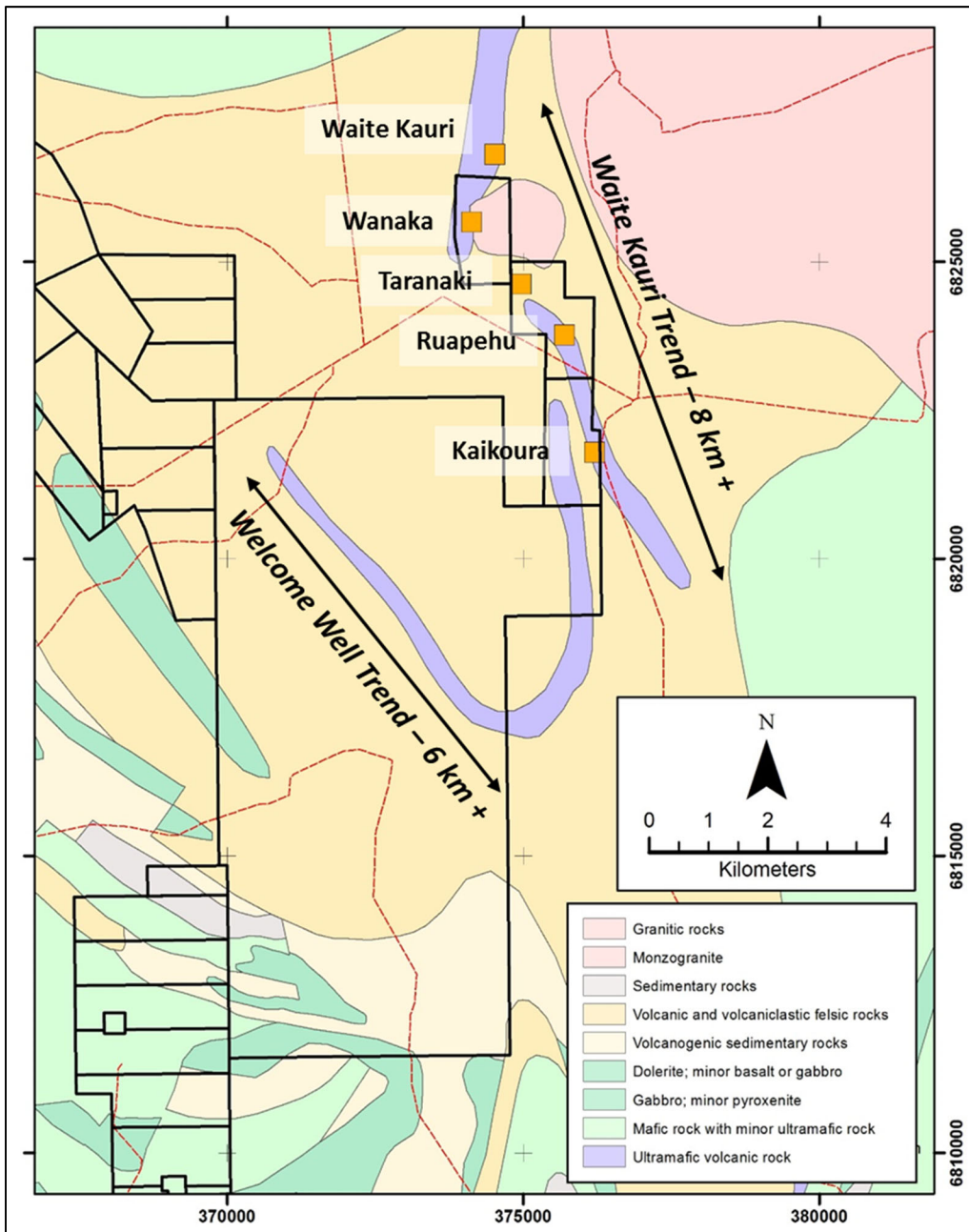


Figure 26 – Minara Project tenements over interpreted geological map with laterite nickel-cobalt prospect areas.

5. Darlot Gold Project

The Darlot Project is located approximately 110 km north of Leonora (Figure 2) and comprises a single exploration license adjacent to the Darlot Gold Mine (Figure 27) owned and operated by Red 5 Limited (see www.red5limited.com).

The Company is evaluating additional exploration targets within the tenement area with a view to implementing a field program to investigate known near-surface gold mineralisation. Prospecting is active within the project area.

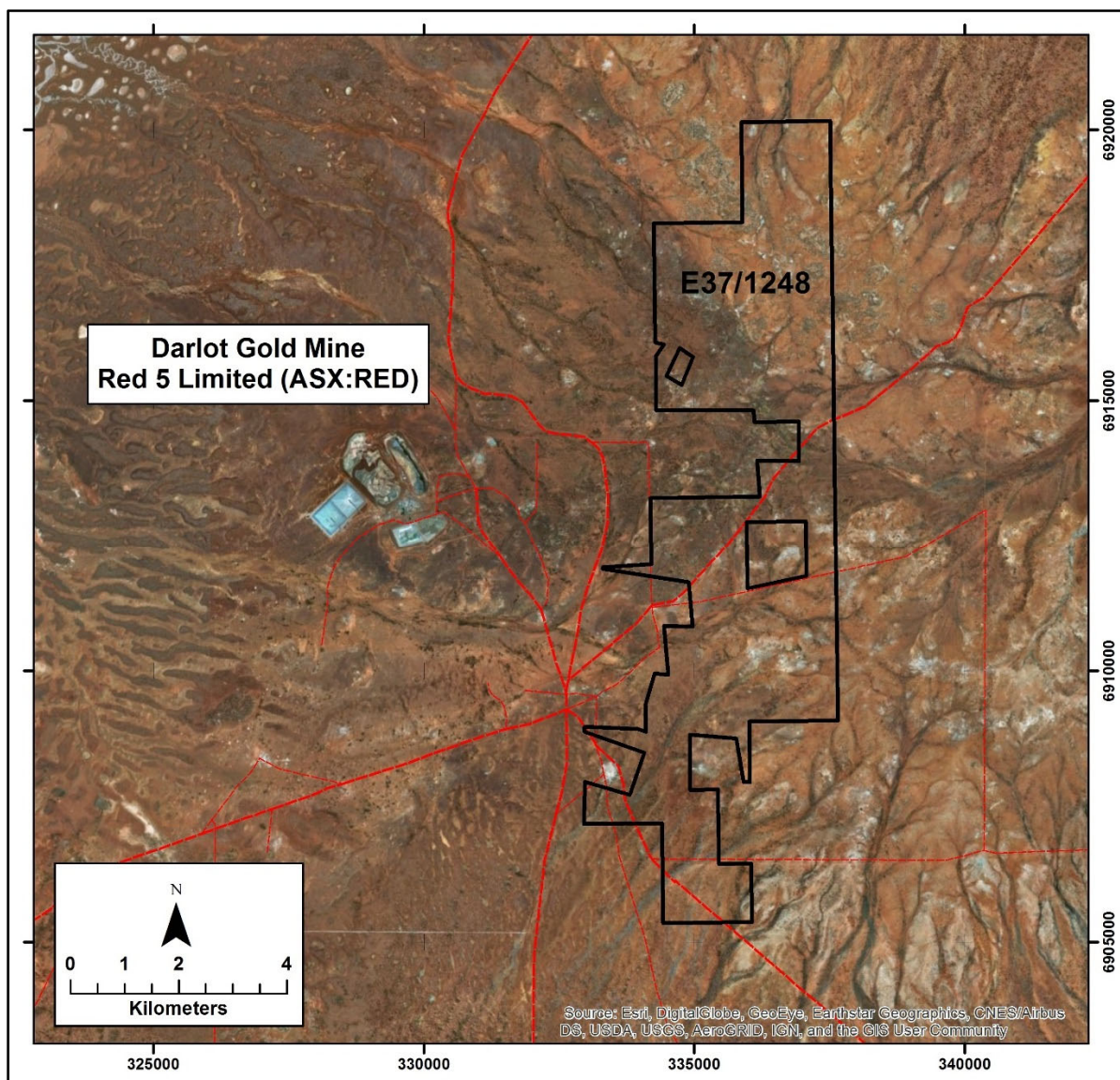


Figure 27 – Darlot Gold Project location diagram

6. Gidgee Multi-Element Project

The Gidgee Project comprises two large exploration licenses covering ground to the west of the historical gold mining areas in the Gum Creek (Gidgee) Goldfield (Figure 28). The project area is adjacent to tenements held by Horizon Gold Limited (ASX:HRN, see www.panoramicresources.com/gumcreekgoldproject) and Gateway Mining Limited (ASX:GML, see www.gatewaymining.com.au/gidgee-gold-project). The tenements are located approximately 75 km north of the town of Sandstone in the northern Yilgarn Block (Figure 2).

The project area is considered prospective for both gold and base metal mineralisation. Data compilation and evaluation to target and prioritise future exploration is currently in progress.

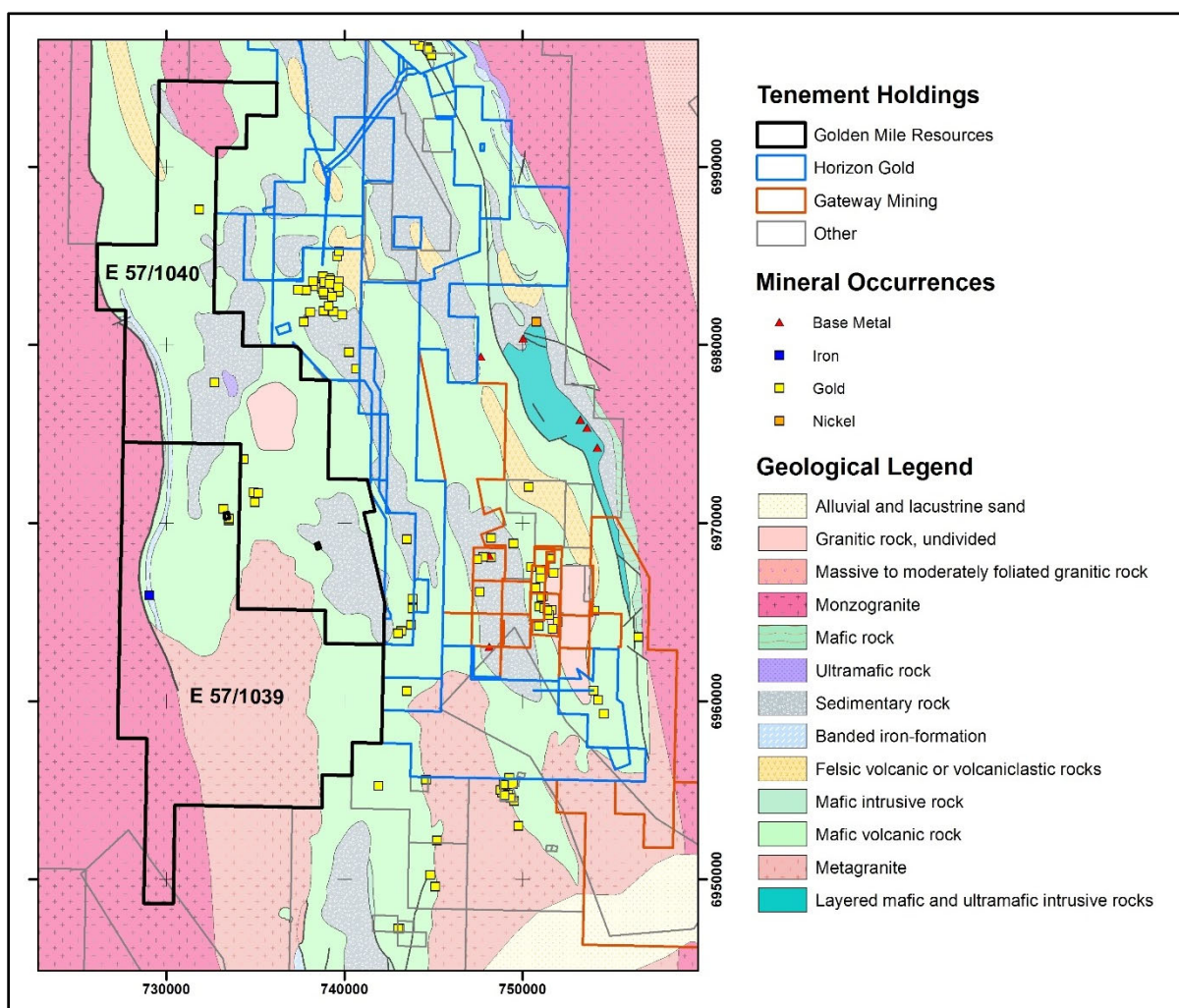


Figure 28 – Gidgee Gold and Base Metal Project location diagram showing interpreted geology, mineral occurrences and major tenement holdings.

GOLDEN MILE RESOURCES LIMITED

REVIEW OF OPERATIONS

All material results contained in this report have previously been reported in separate ASX releases. For more information please visit the Company's website: <https://www.goldenmileresources.com.au/> or the ASX website: <https://www.asx.com.au/asx/share-price-research/company/G88>.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Golden Mile Resources Ltd (ASX: G88) planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Golden Mile Resources Ltd (ASX: G88) believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Competent Persons Statements

The information in this report that relates to Exploration Results is based upon and fairly represents information and supporting documentation prepared by Mr Lachlan Reynolds, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Reynolds is the Managing Director of Golden Mile Resources Ltd, is a full-time employee of the Company and is a shareholder of the Company.

Mr Reynolds has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code). Mr Reynolds consents to the inclusion in the report of the matter based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based upon and fairly represents information and supporting documentation prepared by Mr Paul Payne, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Payne is a full time employee of Payne Geological Services Pty Ltd.

Mr Payne has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" the JORC Code). Mr Payne consents to the inclusion in the report of the matter based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcements referenced in this announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcements.

GOLDEN MILE RESOURCES LIMITED DIRECTORS' REPORT

The Directors of Golden Mile Resources Limited (the "Company") submit herewith the Report on the Company for the financial year ended 30 June 2019.

To comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

Directors

Details of the Directors of the Company in office at any time during or since the end of the financial year and at the date of this report are:

Mr Rhoderick Grivas	Non-Executive Chairman (Appointed 30 March 2017)
Experience and qualifications:	Rhoderick Grivas is a geologist with over 25 years of experience in the resource industry, including 16 years of board experience on ASX listed companies. Mr Grivas has held several director and management positions with publicly listed mining and exploration companies, including Managing Director of ASX and TSX listed gold miner Dioro Exploration NL (ASX: DIO), where he oversaw the discovery and development of a gold resource through feasibility to production. Mr Grivas has a strong combination of equity market, M&A, commercial, strategic, and executive management capabilities.
Other Directorships in listed entities:	Andromeda Metals Limited (ASX: ADN, appointed 27 October 2017)
Former Directorships in listed entities in last 3 years:	Canyon Resources Limited (appointed 11 December 2009, resigned 20 July 2016), Yojee Limited (appointed 30 April 2010, resigned 30 June 2016)
Interests in Shares and options:	124,750 fully paid ordinary shares 750,000 share options exercisable at \$0.30, expiring 19 June 2020
Mr Lachlan Reynolds	Managing Director (Appointed 23 September 2018)
Experience and qualifications	<p>Mr Reynolds has a strong geological background with more than 25 years involvement in mineral exploration, project development and mining. Mr Reynolds commenced his career at WMC Resources Ltd working on gold and nickel opportunities in Western Australia, later being involved in the Tampakan copper project in the Philippines and multi-commodity Olympic Dam mine in South Australia. After 12 years with WMC, Mr Reynolds accepted a position with OceanaGold Ltd in New Zealand where he was involved with teams that successfully defined additional gold resources and brought a number of open pit and underground mining developments into production.</p> <p>Over the past 10 years Mr Reynolds has served as an executive and senior manager for a number of listed companies, including as Managing Director of Energy Ventures Ltd where he oversaw development of the Aurora uranium deposit in the USA. Prior to joining Golden Mile Resources, Mr Reynolds held the position of VP Business Development for TSX-listed Era Resources and most recently he has managed the advancement of a diverse suite of mineral projects for various ASX-listed junior exploration companies.</p>
Other directorships in listed entities	None
Former Directorships in listed entities in last 3 years:	None
Interests in Shares and options:	107,483 fully paid ordinary share.

1,000,000 share options exercisable at \$0.23, expiring 29 November 2023. 500,000 share options exercisable at \$0.31, expiring 29 November 2023.

Mr Phillip Grundy

Non-Executive Director (Appointed 8 December 2016)

Experience and qualifications

Phillip Grundy is a partner at Moray & Agnew Lawyers, specialising in Corporate law and Mergers & Acquisitions.

Phillip has acted as a legal advisor to many ASX-listed public companies across a broad range of industry sectors. He has advised several Australian and international companies in relation to ASX-listings, initial public offerings, backdoor listings, capital raisings, corporate takeovers, continuous disclosure requirements, corporate governance, Corporations Act and ASX Listings Rules compliance and general commercial transactions.

In addition, Phillip advises a number of international companies in relation to inbound Australian investment, mergers and acquisitions, capital raisings in the Australian market, and cross-border transactions.

Phillip holds a Masters of Laws (Commercial Law) from Monash University, a Bachelor of Laws (Hons) and Bachelor of Arts from Deakin University.

Other Directorships in listed entities:

None

Former Directorships in listed entities in last 3 years:

Broo Ltd (ASX: BEE, appointed 14 October 2016, resigned 2 March 2018)

Interests in shares and options:

25,000 fully paid ordinary shares
166,666 share options exercisable at \$0.30, expiring 19 June 2020

Mr Timothy Putt

Chief Executive Officer and Director (Appointed 1 December 2016, resigned 22 September 2018)

Experience and qualifications

Mr Putt has been an active member of the resources sector since the early 1990s. His early experience was as a geologist in the Yilgarn Craton of Western Australia. Mr Putt was involved in exploration, open pit and underground mining - primarily within the gold sector but also involved in exploration for nickel, VMS hosted copper-zinc mineralisation and uranium.

Mr Putt became increasingly involved in corporate management & project generation from 2005, with his expertise being lent to companies successfully developing projects in Africa, Australia and the Pacific Basin. He has also played a key role in several IPO's and maintains a network of close contacts throughout the global financial sector.

Mr Putt is a Bachelor of Science with Honours (Geology) and is also a Member of the Society of Economic Geologists and the Australian Institute of Geoscientists.

Mr Putt resigned on 22 September 2018, and remained working with the Company until November 2018. At the date of resignation Mr Putt held 510,000 ordinary shares and 750,000 ordinary share options exercisable at \$0.30, expiring 24 September 2021.

Dr Koon Lip Choo

Non-Executive Director (Appointed 8 December 2016, resigned 23 August 2018)

GOLDEN MILE RESOURCES LIMITED DIRECTORS' REPORT

Dr Koon Lip Choo was a founding director of the Company and resigned from the Board on 23 August 2018. At the date of his resignation Dr Koon Lip Choo held 7,508,888 fully paid ordinary shares, and 2,000,000 unlisted options exercisable at \$0.30 expiring 19 June 2021. He is currently a director of i-Global Holdings Ltd (NSX: IGH).

Company Secretary

Mr J Stedwell

Experience and qualifications:

Company Secretary

Justyn Stedwell is a professional Company Secretary, with over 12 years' experience as a Company Secretary of ASX-listed companies in various industries including biotechnology, agriculture, mining and exploration, information technology and telecommunications. Justyn's qualifications include a Bachelor of Commerce (Economics and Management) from Monash University, a Graduate Diploma of Accounting at Deakin University and a Graduate Diploma in Applied Corporate Governance at the Governance Institute of Australia. He is currently Company Secretary at several ASX-listed companies.

Meeting of Directors

The following table sets out the number of meetings of the Company's Directors during the year ended 30 June 2019 and the number of meetings attended by each Director.

DIRECTOR	BOARD MEETING	
	Held	Attended
Mr Lachlan Reynolds	8	8
Mr Rhoderick Grivas	10	10
Mr Phillip Grundy	10	10
Mr Koon Lip Choo	1	1
Mr Timothy Putt	2	2

Principal Activities

The Company owns several resource tenements in Western Australia and are actively exploring the tenements for gold, nickel and cobalt and related resources.

Operating Results and Financial Position

During the year, the Company made a loss \$964,005 (2018: \$836,243). The focus during the year was exploration activities at the Quicksilver project in Western Australia, as well as maintaining and developing its other areas of interest. These activities are detailed in the Review of Operations prior to the Directors' Report.

During the year, the Company the Company spent \$1,017,683 (2018: \$2,008,833) on exploration activities and a net \$831,382 (2018: \$754,313) on operational expenditure. As a result, the Company's exploration assets are recorded at \$3,625,402 (2018: 2,680,568), with net assets at \$4,587,903 (2018: 4,073,085). The Company's cash position at 30 June 2019 was \$1,126,607 (2018: \$1,589,177).

The Company raised \$1,386,495 from the issue of fully paid ordinary shares after costs to fund operations.

Dividends

During the year, the Company did not pay, or propose to pay, any dividends.

Significant Change in State of Affairs

On 25 July 2018 the Company successfully completed a placement of ordinary shares to sophisticated and professional investors through Peak Asset Management. As a result, 4,999,976 ordinary shares were issued at \$0.30, raising \$1,499,993 before costs.

The Company also issued 400,000 unlisted share options exercisable at \$0.30 and expiring on 1 August 2021 to Mr Paul Frawley. These options were granted at the commencement of Mr Frawley's service contract.

On 24 September 2018 the Company issued 500,000 fully paid ordinary shares, and 750,000 unlisted share options exercisable at \$0.30 per option, expiring on 24 September 2021. These shares and options were granted as part of Mr Putt's employment contract.

After Balance Date Events

On 23 September 2019 the Company announced that it had completed the acquisition of the Yuinmery Gold Project from Legend Resources Pty Ltd. The consideration payable per the acquisition agreement is:

- 1,000,000 fully paid ordinary shares, issued on 23 September 2019;
- 1,000,000 options, with each option having an exercise price of \$0.10 per share and which are exercisable within 3 years of their date of issue, issued on 23 September 2019; and
- \$25,000 cash.

The Yuinmery Gold Project consists of a single exploration licence, E57/1043, in the North Eastern Goldfields of Western Australia. The Project licence covers a total area of 63.3km² and was granted on 11 October 2016 for a period of 5 years.

Other than the matters noted above, the Board is not aware of any matter or circumstance not otherwise dealt with in these financial statements that has significantly or may significantly affect the operation of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

Future Developments

The Company's strategic focus remains the development of the exploration assets in Western Australia. The initial focus will be on the Yuinmery Gold Project, referred to above and acquired subsequent to the year end. The Company will continue to explore and evaluate its Leonora East Gold Projects and Quicksilver Nickel-Cobalt project, as well as the Ironstone Well.

Indemnity and Insurance of Officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith. During the financial year, the Company paid a premium in respect of a contract to insure the directors and officers of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and Insurance of Auditor

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Environmental Issues

The Company's activities involve exploration activities on WA mining tenements and therefore would be subject to the WA laws and regulations relating to such activities including environmental approvals as may be required from time to time under the *Mining Act 1978*.

Shares under Option or Issued on Exercise of Options

At the date of this report the Company had 9,425,000 shares under option as follows: -

Grant Date	Date of expiry	Exercise price	Number on issue	Number escrowed	Escrow date
24/10/2016(i)	24/10/2020	\$0.30	4,000,000	-	-
18/04/2017	14/06/2020	\$0.30	1,433,334	-	-
01/05/2017	14/06/2020	\$0.30	916,666	-	-
31/10/2016(ii)	24/10/2020	\$0.30	425,000	-	-
19/06/2017(iii)	01/08/2021	\$0.30	400,000	-	-
19/06/2017(iii)	24/09/2021	\$0.30	750,000	-	-
25/09/2018(iv)	29/11/2023	\$0.23	1,000,000	-	-
25/09/2018(iv)	29/11/2023	\$0.31	500,000	-	-

(i) Promoter share options were issued prior to listing.

(ii) Issued as part of contract to acquire exploration assets, agreement dated 31 October 2017.

(iii) Granted to Key Management Personnel as part of contracted remuneration package during the prior period. 1,150,000 share options were issued during the current year to satisfy these share-based payments to key management personnel subsequent to satisfaction of vesting conditions.

(iv) Granted to Key Management Personnel as part of contracted remuneration package during the current period. 1,500,000 share options were issued during the current year, with 500,000 vested and 1,000,000 not yet vested.

Share options do not provide the holder with the same rights as shareholders. Share options do not provide the rights to participate in rights issues, dividends, or enable the holder to vote at General Meetings.

Proceedings on Behalf of the Company

No person has applied for leave of the Court under Section 327 of the *Corporations Act 2001* to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any proceedings during the year.

REMUNERATION REPORT (AUDITED)

The remuneration report, which has been audited, outlines the Director and executive remuneration arrangements for the Company, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

A. Principles Used to Determine the Nature and Amount of Remuneration

The performance of the Company depends upon the quality of its Directors and Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives. To that end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives;
- Focus on creating sustained shareholder value;
- Placing a portion of executive remuneration at risk, dependent upon meeting predetermined performance benchmarks; and
- Differentiation of individual rewards commensurate with contribution to overall results and according to individual accountability, performance and potential.

The Board's policy for determining the nature and amount of remuneration for Key Management Personnel ("KMP") for the Company is based on the following:

- The remuneration policy is to be developed and approved by the Board after professional advice is sought from independent external consultants (where applicable).
- All executive KMP receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits and performance incentives, where appropriate.
- Performance incentives (in the form of a cash bonus) are generally only paid once predetermined key performance indicators (KPIs) have been met.
- Apart from those detailed in this report no other share based/options incentives have been offered to KMP during this reporting financial year.
- The Board, which also serves as the remuneration committee, reviews the remuneration packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors.

GOLDEN MILE RESOURCES LIMITED DIRECTORS' REPORT

All remuneration paid to KMP is valued at the cost to the Company and expensed.

KMP or closely related parties of KMP are prohibited from entering hedge arrangements that would have the effect of limiting the risk exposure relating to their remuneration. In addition, the Board's remuneration policy prohibits Directors and KMP from using the company's shares as collateral in any financial transaction.

Engagement of remuneration consultants

During the year, the Company did not engage any remuneration consultants.

Remuneration Structure

The structure of Non-Executive Director, Executive Director and Senior Manager remuneration is separate and distinct.

Non-Executive Director Remuneration

The Board's policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders.

Each Director receives a fee for being a Director of the Company.

Senior Management and Executive Director Remuneration

The Company aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company to:

- Reward Executives for company, business unit and individual performance against targets set by reference to appropriate benchmarks;
- Align the interests of Executives with those of shareholders;
- Link reward with the strategic goals and performance of the Company;
- Ensure total remuneration is competitive by market standards; and
- Executive remuneration is designed to support the Company's reward philosophies and to underpin the Company's growth strategy. The program comprises the following available components:
 - Fixed remuneration component; and
 - Variable remuneration component including cash bonuses paid.

Fixed Remuneration

The level of fixed remuneration is set to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. The fixed (primary) remuneration is provided in cash.

Variable Remuneration

The performance of KMP is measured against criteria agreed annually with each Executive. All bonuses and incentives must be linked to predetermined performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance results leading to long-term growth in shareholder wealth.

The objective of the Short-Term Incentive ("STI") program is to link the achievement of the Company's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level to provide sufficient incentive to achieve the operational targets and such that the cost to the Company is reasonable.

Actual STI payments granted depend on the extent to which specific operating targets are met. The operational targets consist of a number of Key Performance Indicators (KPIs) covering both financial and non-financial measures of performance.

On an annual basis, the individual performance of each executive is rated and taken into account when determining the amount, if any, of the short-term incentive pool allocated to each executive. The aggregate of annual STI payments available for executives across the Company are usually delivered in the form of a cash bonus.

GOLDEN MILE RESOURCES LIMITED DIRECTORS' REPORT

B. Details of Remuneration

Details of the remuneration of the Directors, other key management personnel (defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the Company) are set out in the tables on pages 34 and 35.

Key Management Personnel - Directors and Executives

The key management personnel ("KMP") of the Company consisted of the following Directors and executives during the year:

	Position
Non-Executive Directors	
Rhoderick Grivas	Non-Executive Chairman
Phillip Grundy	Non-Executive Director
Dr Koon Lip Choo	Non-Executive Director (Resigned 23 August 2018)
Executive Director	
Lachlan Reynolds	Chief Executive Officer and Director (Appointed 23 September 2018)
Timothy Putt	Chief Executive Officer and Director (Resigned 22 September 2019)
Other Key Management Personnel	
Paul Frawley	Exploration Manager

Key Management Personnel – Service Agreements

Employment contracts – Lachlan Reynolds

The key terms of the contract are as follows:

- Position of CEO;
- Salary of \$220,000 per annum, plus superannuation and other benefits;
- 500,000 share options vesting immediately, exercisable at a price that is 150% of the 30 day VWAP from the date of issue of the Options;
- 500,000 share options vesting 12 months from commencement, exercisable at a price that is 150% of the 30 day VWAP from the date of issue of the Options;
- 500,000 share options vesting 24 months from the date of commencement, exercisable at a price that is 200% of the 30 day VWAP from the date of issue of the Options;
- Commenced on 23 September 2018 with no fixed term; and
- Agreement can be terminated in writing by either party providing three months' notice.

Employment contracts – Timothy Putt

The key terms of the contract are as follows:

- Position of CEO (resigned 23 November 2019);
- Salary of \$170,000 per annum, plus superannuation and other benefits, increased to \$220,000 in June 2018;
- Upon completion of 12 months service Mr Putt received 750,000 share options, which can be exercised at \$0.30 per share, with the option expiring 3 years after the date of issue. Share options have vested and were issued on 24 September 2018;
- Upon completion of 12 months service Mr Putt received 500,000 fully paid ordinary shares in the Company. Shares have vested and were issued on 24 September 2018; and
- Mr Putt resigned on 22 September, and the employment agreement was consequently ended.

Non-Executive Director Service Agreement – Rhoderick Grivas

The key terms of the contract are as follows:

- Position of Non-Executive Chairman;
- Salary of \$65,705 per annum, inclusive of superannuation;
- Commenced on date Company admitted to the ASX, being 19 June 2017 with no fixed term; and
- Agreement can be terminated in writing by either party or by mutual consent.

GOLDEN MILE RESOURCES LIMITED
DIRECTORS' REPORT

Non-Executive Director Service Agreement – Phillip Grundy

The key terms of the contract are as follows:

- Position of Non-Executive Director;
- Salary of \$40,000 per annum, inclusive of superannuation;
- Commenced on date Company admitted to the ASX, being 19 June 2017 with no fixed term; and
- Agreement can be terminated in writing by either party or by mutual consent.

Consultancy Agreement – Paul Frawley

The key terms of the contract are as follows:

- Position of Exploration Manager;
- Services to include analysing tenements and reporting on them to the Board, analysing prospective mining and exploration acquisitions and reporting to the Board, preparing presentations for the Company on its activities and tenements, assisting with developing, assessing and executing drilling and exploration programs and other associated services;
- Services to be provided and invoiced by Mr Frawley through his consulting company. The agreed rate is \$850 per day;
- Commenced on the date the Company was admitted to the ASX, being 19 June 2017; and
- Agreement can be terminated in writing by either party or by mutual consent with 7 days' notice.

Details of Remuneration for the year ended 30 June 2019

The individual remuneration for key management personnel of the Company during the year was as follows:

	SHORT TERM EMPLOYMENT BENEFITS			POST	EQUITY BASED		TOTAL
	Cash Salary and Fees	Leave provision	Cash Bonus	EMPLOYMENT Superannuation Contributions	Shares	Options	
	\$	\$		\$	\$	\$	\$
Non – Executive Directors							
Rhoderick Grivas	65,700	-	-	-	-	-	65,700
Phillip Grundy	39,996	-	-	-	-	-	39,996
Koon Lip Choo	6,666	-	-	-	-	-	6,666
Sub-Total	112,362	-	-	-	-	-	112,362
Executive Directors							
Lachlan Reynolds	169,583	10,051	-	16,110	-	90,306	286,050
Tim Putt	106,906	(5,833)	-	10,156	-	-	111,229
Sub-Total	276,489	4,218	-	26,266	-	90,306	397,279
Other KMP							
Paul Frawley (i)	212,700	-	-	-	-	-	212,700
Sub-Total	212,700	-	-	-	-	-	212,700
Total	601,551	4,218	-	26,266	-	90,306	722,341

- (i) Paul Frawley provided geological services billed through IGLS. Further expenses were charged by IGLS to the Company. The amount billed was \$20,759.

GOLDEN MILE RESOURCES LIMITED
DIRECTORS' REPORT

Details of Remuneration for the period ended 30 June 2018

The individual remuneration for key management personnel of the Company during the period was as follows:

	SHORT TERM EMPLOYMENT BENEFITS			POST	EQUITY BASED		TOTAL
	Cash Salary and Fees \$	Leave provision \$	Cash Bonus	EMPLOYMENT Superannuation Contributions \$	Shares \$	Options \$	
Non – Executive Directors							
Rhoderick Grivas	62,115	-	-	-	-	-	62,115
Phillip Grundy	39,996	-	-	-	-	-	39,996
Koon Lip Choo	39,996	-	-	-	-	-	39,996
Sub-Total	142,107	-	-	-	-	-	142,107
Executive Directors							
Tim Putt	170,000	5,833	-	16,150	41,644	25,236	258,863
Sub-Total	170,000	5,833	-	16,150	41,644	25,236	258,863
Other KMP							
Paul Frawley (i)	188,337	-	-	-	-	12,972	201,309
Sub-Total	188,337	-	-	-	-	12,972	201,309
Total	500,444	5,833	-	16,150	41,644	38,208	602,279

(i) Paul Frawley provided geological services billed through IGLS. Further expenses were charged by IGLS to the Company. The amount billed was \$94,003.

Bonuses included in remuneration

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	2019			2018		
	Fixed remuneration	At risk - STI	At risk – LTI	Fixed remuneration	At risk - STI	At risk – LTI
Non-Executive Directors						
Rhoderick Grivas	100%	-	-	100%	-	-
Phillip Grundy	100%	-	-	100%	-	-
Koon Lip Choo	100%	-	-	100%	-	-
Tamura Yoshiaki	-	-	-	-	-	-
Executive Directors						
Lachlan Reynolds	68%	-	32%	-	-	-
Timothy Putt	100%	-	-	74%	-	26%
Other KMP						
Paul Frawley	100%	-	-	94%	-	6%

GOLDEN MILE RESOURCES LIMITED
DIRECTORS' REPORT

C. Share Based Compensation

During the year the Company granted share options to the CEO under the terms of the employment contract. The share options granted were as follows:

	No. of options	Exercise Price	Vesting period	Expiry
Tranche 1 Options	500,000	\$0.23 per option	Not applicable	29 November 2023
Tranche 2 Options	500,000	\$0.23 per option	12 months from date of issue of the Incentive Options	29 November 2023
Tranche 3 Options	500,000	\$0.31 per option	24 months from date of issue of the incentive options	29 November 2023

The share options were issued on 29 November 2019.

No options previously issued to key management personnel were exercised or expired during the year.

D. Additional Information

Relationship between remuneration policy and Company performance

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. The chosen method to achieve this aim is providing shares and share options to link future benefits to the performance of the Company's share price. The Company believes this policy will be effective in increasing shareholder's wealth. The earnings of the Company for the reporting periods to 30 June 2019 are summarised below, along with details that are considered to be factors in shareholder returns:

	30 June 2017	30 June 2018	30 June 2019
Income	1,085	47,508	14,648
Net profit /(loss) after tax \$	(412,719)	(835,995)	(964,005)
Share price at year end \$	0.18	0.45	0.05
Net tangible assets per share \$	0.08	0.08	0.07

During the year the Company adopted AASB 9 Financial Instruments and AASB 15 Revenue from contracts with customers. Neither impacted the result of the Company in the current year in a way that makes the result less comparable to prior years.

E. Additional Information in relation to key management personnel shareholdings

Ordinary shares held in Golden Mile Resources Limited (number) 30 June 2019

	Balance 1 July 2018	Granted as payment of Remuneration	On-market changes	Off-market changes	Other changes	Balance 30 June 2019
<u>Directors</u>						
Lachlan Reynolds (i)	-	-	-	-	107,483	107,483
Rhoderick Grivas	80,000	-	44,750	-	-	124,750
Phillip Grundy	25,000	-	-	-	-	25,000
Koon Lip Choo (ii)	7,508,888	-	-	-	(7,508,888)	-
Timothy Putt (ii)	510,000	-	-	-	(510,000)	-
<u>Other KMP</u>						
Paul Frawley	-	-	-	-	-	-
	8,123,888	-	44,750	-	(7,911,405)	257,233

- (i) Appointed during the year
(ii) Resigned during the year

**GOLDEN MILE RESOURCES LIMITED
DIRECTORS' REPORT**

Share options held in Golden Mile Resources Limited (number) 30 June 2019

	Balance 1 July 2018	Granted as payment for Remuneration	Options converted	Other changes (i)	Balance 30 June 2019	Vested
<u>Directors</u>						
Lachlan Reynolds	-	1,500,000	-	-	1,500,000	500,000
Rhoderick Grivas	750,000	-	-	-	750,000	750,000
Phillip Grundy	166,666	-	-	-	166,666	166,666
Koon Lip Choo	2,000,000	-	-	(2,000,000)	-	-
Timothy Putt	750,000	-	-	(750,000)	-	-
<u>Other KMP</u>						
Paul Frawley	400,000	-	-	-	400,000	400,000
	<u>4,066,666</u>	<u>1,500,000</u>	<u>-</u>	<u>(2,750,000)</u>	<u>2,816,666</u>	<u>4,066,666</u>

(i) Both Koon Lip Choo and Timothy Putt resigned during the year, and that is the nature of "other changes" in the share option holding.

F. LOANS FROM KMP

There are no loans to or from KMP.

G. OTHER TRANSACTIONS WITH KMP

Other than the Key Management Personnel disclosures noted above, the following transactions were completed with related parties during the year: -

	Expenses during year	Balance receivable at 30 June	Balance payable at 30 June
Moray and Agnew (i)	7,809	-	-
IGLS (ii)	20,759	-	-
Exploration and Mining Information Systems (iii)	1,200	-	-

- (i) Phillip Grundy is a partner at Moray and Agnew. Moray & Agnew provided legal and consulting services related to compliance matters.
- (ii) IGLS is a company owned and operated by Paul Frawley. In addition to payment for Mr Frawley's services, IGLS provided geological services and incurred costs which were billed to the Company during the year. The balance at the end of the year is composed of unpaid invoices and expenses incurred by IGLS.
- (iii) EMIS is a company owned and operated by Tim Putt. EMIS provided use of a vehicle to the Company during the year.

This concludes the remuneration report, which has been audited.

Non-Audit Services

During the year HLB Mann Judd, the Company's auditor, has performed certain other services in addition to their statutory duties. The Directors are satisfied that the provision of these non-audit services by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. Details of amounts paid or payable are as follows:

	2019 \$	2018 \$
Auditing the financial report	32,613	32,189
Non-audit services		
- Tax compliance services	11,628	9,000
	<u>44,241</u>	<u>41,189</u>

The Directors are of the opinion that the services as disclosed above do not compromise the external auditor's independence for the following reasons:

- All non-audit services have been reviewed and approved by the Board to ensure that they do not impact the integrity and objectivity of the auditor, and

GOLDEN MILE RESOURCES LIMITED DIRECTORS' REPORT

- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Profession and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing economic risks and rewards.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included at page 39 of the Annual Report.

Auditor

HLB Mann Judd continues in accordance with section 327 of the *Corporations Act 2001*. There are no officers of the Company who are former audit partners of HLB Mann Judd.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors support the principles of Corporate Governance. The Company continued to follow best practice recommendations as set out by the ASX Corporate Governance Council. Where the Company has not followed best practice for any recommendation, explanation is given in the Corporate Governance Statement. The Company's Corporate Governance statement is available on the Company's website at <https://www.goldenmileresources.com.au/>.

Signed in accordance with a resolution of the Directors made pursuant to s.298 (2) of the *Corporations Act 2001*.

On behalf of the Directors



Mr R Grivas
Non-Executive Chairman
30 September 2019

Auditor's Independence Declaration

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

- (a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.



**HLB Mann Judd
Chartered Accountants**

Melbourne
30 September 2019



**Jude Lau
Partner**

hlb.com.au

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HLB Mann Judd (VIC Partnership) is a member of HLB International, the global advisory and accounting network

GOLDEN MILE RESOURCES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Continuing operations			
Interest income		14,648	47,508
Exploration expenditure		(47,803)	(55,080)
Directors' fees and salaries and wages		(509,647)	(400,970)
General and administrative expenses	8(b)	(157,914)	(142,995)
Corporate expenses	8(b)	(208,009)	(252,011)
Other expenses		(55,280)	(32,695)
Loss before income tax		<u>(964,005)</u>	<u>(836,243)</u>
Income tax expense	9	-	-
Net Loss for the year		<u>(964,005)</u>	<u>(836,243)</u>
Other Comprehensive income/(loss)			
Other comprehensive loss net of tax		<u>-</u>	<u>-</u>
Total comprehensive loss		<u>(964,005)</u>	<u>(836,243)</u>
Basic loss per share (cents per share)	14	(1.68)	(1.61)
Diluted loss per share (cents per share)	14	(1.68)	(1.61)

The above statement should be read in conjunction with the accompanying notes.

GOLDEN MILE RESOURCES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
Current Assets			
Cash and cash equivalents	3(a)	1,126,607	1,589,177
Trade and other receivables	4	30,468	87,795
Prepayment		43,475	47,341
Total Current Assets		<u>1,200,550</u>	<u>1,724,313</u>
Non-Current Assets			
Exploration and evaluation assets	2	3,625,402	2,680,568
Total Non-Current Assets		<u>3,625,402</u>	<u>2,680,568</u>
Total Assets		<u>4,825,952</u>	<u>4,404,881</u>
Current Liabilities			
Trade and other payables	5	227,999	325,963
Provisions		10,050	5,833
Total current liabilities		<u>238,049</u>	<u>331,796</u>
Total Liabilities		<u>238,049</u>	<u>331,796</u>
Net Assets		<u>4,587,903</u>	<u>4,073,085</u>
Equity			
Issued capital	6	6,497,235	5,108,718
Accumulated losses		(2,212,967)	(1,248,962)
Reserves	7	303,635	213,329
Total Equity		<u>4,587,903</u>	<u>4,073,085</u>

The above statement should be read in conjunction with the accompanying notes.

GOLDEN MILE RESOURCES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

		Issued capital	Reserves	Accumulated losses	Total
		\$	\$	\$	\$
At 1 July 2017		4,910,592	163,147	(412,719)	4,661,020
Loss for the year		-	-	(836,243)	(836,243)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year		-	-	(836,243)	(836,243)
Transactions with owners in their capacity as owners:					
Issue of shares, net of costs	6	198,126	(29,670)	-	168,456
Share based payments	7	-	79,852	-	79,852
As at 30 June 2018		5,108,718	213,329	(1,248,962)	4,073,085
		Issued capital	Reserves	Accumulated losses	Total
		\$	\$	\$	\$
At 1 July 2018		5,108,718	213,329	(1,248,962)	4,073,085
Loss for the year		-	-	(964,005)	(964,005)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year		-	-	(964,005)	(964,005)
Transactions with owners in their capacity as owners:					
Issue of shares, net of costs	6	1,388,517	-	-	1,388,517
Share based payments	7	-	90,306	-	90,306
As at 30 June 2019		6,497,235	303,635	(2,212,267)	4,587,903

The above statement should be read in conjunction with the accompanying notes.

GOLDEN MILE RESOURCES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Payments to suppliers and employees		(846,030)	(801,821)
Interest received		14,648	47,508
Net cash (used in) operating activities	3(d)	<u>(831,382)</u>	<u>(754,313)</u>
Cash flows from investing activities			
Exploration and evaluation expenditure		<u>(1,017,683)</u>	<u>(2,008,833)</u>
Net cash (used in) investing activities		<u>(1,017,683)</u>	<u>(2,008,833)</u>
Cash flows from financing activities			
Proceeds from issue of shares		1,500,000	172,500
Cost of issuing shares		<u>(113,505)</u>	<u>(259,752)</u>
Net cash (used in) / provided by financing activities		<u>1,386,495</u>	<u>(87,252)</u>
Net (decrease) / increase in cash held		(462,570)	(2,850,398)
Cash and cash equivalents at the beginning of the year		1,589,177	4,439,575
Cash and cash equivalents at the end of the year	3(a)	<u>1,126,607</u>	<u>1,589,177</u>

The above statement should be read in conjunction with the accompanying notes.

GOLDEN MILE RESOURCES LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1. BASIS OF PREPARATION

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the *Corporations Act 2001*, as appropriate for-profit oriented entities.

The financial statements cover the Company for the year ended 30 June 2019. The Company is a company limited by shares, incorporated and domiciled in Australia.

Except for the Statement of Cash Flows, the financial statements have been prepared on the accruals basis.

The financial statements were authorised for issue by the Directors on 30 September 2019.

The Company's principle activities are the exploration for and evaluation gold and other related resources in Western Australia.

(a) Basis of Preparation of the Financial Statements

Compliance with IFRS

The financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical Cost Convention

The financial statements have been prepared under the historical cost convention, modified where appropriate by the measurement of fair value of selected non-current assets. All amounts are presented in Australian dollars unless otherwise noted.

(b) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(c) Going Concern

During the year the Company made losses of \$964,005 (2018: \$836,243) and spent \$1,849,065 (2018: \$2,763,146) on exploration and corporate activities. At 30 June 2019 the Company had cash reserves of \$1,126,607 and net current assets, being current assets less current liabilities, of \$962,501 (2018: \$1,392,517). Whilst the Company has sufficient cash reserves to meet these commitments, the expenditure plans to develop the projects exceed the cash reserves required for the 12 months. Accordingly, in order to meet the expenditure plans the Company will be required to raise additional funding within the 12 months from the date of this report.

Notwithstanding this the financial report has been prepared on a going concern basis which assumes the realisation of assets and discharge of liabilities in the normal course of business at the amounts stated in the financial report, for the following reasons:

- The Company has the ability to raise additional capital without shareholder approval under ASX Listing Rules 7.1 and 7.1A. The Group has a history of successfully raising funds.
- The Company can reduce planned project expenditure to manage its cash flows to ensure it meets its obligations as and when they fall due.

On the basis that sufficient funding is expected to be raised to meet the Company's expenditure forecast, the directors consider that the Company remains a going concern and these financial statements have been prepared on this basis.

Should the Company be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different from those stated in the financial statements. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the consolidated entity not continue as a going concern.

GOLDEN MILE RESOURCES LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2. EXPLORATION AND EVALUATION ASSETS

(a) Reconciliation of movements during year

	2019	2018
	\$	\$
Costs carried forward in respect of areas of interest at cost	2,680,568	575,350
Exploration and evaluation expenditure capitalised during the year	944,834	2,105,218
Costs carried forward in respect of areas of interest	3,625,402	2,680,568

(b) Significant Accounting Policies

Exploration and evaluation expenditures incurred are accumulated in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recouped through the successful development of the area or sale, or where exploration and evaluation activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Accumulated costs in relation to an abandoned area are written off in full against profit/(loss) in the year in which the decision to abandon the area is made. In addition, a provision is raised against exploration and evaluation expenditure where the directors are of the opinion that the carried forward cost may not be recoverable. Any such provision is charged against the results for the year.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Expenditure is not carried forward in respect of any area of interest/mineral resource unless the Company's rights of tenure to that area of interest are current.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of the relevant stage. Provisions are made for the estimated costs of restoration relating to areas disturbed during the mines operation up to reporting date but not yet rehabilitated. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with local laws and relevant clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on a discounted basis.

Any changes in the estimates of the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that any restoration will be completed within one year of abandoning the site.

(c) Critical Judgements

The ultimate recoupment of capitalised expenditure in relation to each area of interest is dependent on the successful development and commercial exploitation or, alternatively, sale of the respective areas the results of which are still uncertain.

GOLDEN MILE RESOURCES LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2. EXPLORATION AND EVALUATION ASSETS (Cont'd)

(d) Commitments for expenditure

To maintain current rights of tenure to the exploration tenements, the Company is required to meet the minimum expenditure requirements of the Department of Mines and Petroleum. Minimum expenditure commitments may otherwise be avoided by sale, farm out or relinquishment. These obligations are not provided in the accounts. The Company has committed to spend a total of \$1,350,331 (2018: \$1,703,329) over the years of the granted permit areas in respect of these exploration programs. Expenditure commitment is for the term of the permit renewal. The total commitment in relation to the permits is as follows: -

	2019	2018
	\$	\$
Expenditure commitments within 1 year	593,291	589,409
Expenditure commitments 2 – 5 years	757,040	1,113,920
Expenditure commitments over 5 years	-	-
	1,350,331	1,703,329

3. CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents

	2019	2018
	\$	\$
Cash at bank	1,126,607	1,580,020
Trust account	-	9,157
	1,126,607	1,589,177

(b) Significant Accounting Policies

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts.

(c) Financial Instrument Risk Management

The Company manages its exposure to key financial risks relating to cash and cash equivalents in accordance with its financial risk management policy. The objective of the policy is to support the delivery of the Company's financial targets whilst protecting future financial security.

The main risks arising from cash and cash equivalents is interest rate risk. The Directors manage risk by monitoring levels of exposure to interest rate and consider cash requirements in relation to ongoing cash flow budgets.

Interest Rate Risk

Exposure to interest rate risk arises on financial instruments whereby a future change in interest rates will affect future cash flows of variable rate financial instruments. At 30 June 2019, the Company had variable rate deposits of \$1,005,643 earning interest of 0.25% per annum (2018: \$1,321,421 at 0.50%). The risk attached to the interest income for the year ended 30 June 2019 was not significant.

Credit Risk

The Company banks with Westpac and considers the bank's credit worthiness appropriate to mitigate credit risk associated to the bank deposits. Westpac's credit rating is AA-. Credit risk is managed by the Board in accordance with its policy. The Board is satisfied that banking with an institution with a AA- credit rating sufficiently mitigates credit risk attached to cash deposits.

Fair value

The fair value of the cash balances approximates fair value due to the short-term nature of the deposits.

GOLDEN MILE RESOURCES LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

3. CASH AND CASH EQUIVALENTS (Cont'd)

<i>(d) Reconciliation of operating cash flows to operating result</i>	2019	2018
	\$	\$
Operating loss after income tax:	(964,005)	(836,243)
Share based payments	90,306	79,852
Change in net operating assets and liabilities:		
(Increase) / decrease in receivables	57,327	16,473
(Increase) / decrease in prepayments	3,866	(41,392)
Increase / (decrease) in trade and other payables relating to operating expenditure	(23,093)	21,164
Increase / (decrease) in provisions	4,217	5,833
Net cash inflow/(outflow) from operating activities	(831,382)	(754,313)

4. TRADE AND OTHER RECEIVABLES

	2019	2018
	\$	\$
GST recoverable	30,468	87,795

(a) Significant Accounting Policies

Other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Receivables expected to be collected within 12 months are classified as current assets. All other receivables are classified as non-current assets.

(b) Financial Instrument Risk management

Amounts are recoverable from the ATO and credit risk is considered low. No risk management policy is in place.

5. TRADE AND OTHER PAYABLES

	2019	2018
	\$	\$
Trade payables	200,396	254,657
Accruals and other payables	27,603	71,306
	227,999	325,963

(a) Significant Accounting Policies

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

(b) Financial Instrument Risk Management

The main risks arising from trade and other payables is liquidity risk. The Directors manage risk by monitoring levels of obligations arising from liabilities and commitments and consider cash requirements in relation to ongoing cash flow budgets.

Liquidity Risk

All payables are current and payable within 30 days. Accordingly, management has ensured that the Company has sufficient cash resources to meet the liabilities as and when they are due.

GOLDEN MILE RESOURCES LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

6. ISSUED CAPITAL

(a) Issued capital

	2019		2018	
	Number of shares	\$	Number of shares	\$
Ordinary shares – fully paid (no par value)	<u>57,899,977</u>	<u>6,497,235</u>	52,400,001	5,108,718

(b) Reconciliation of issued capital

	Shares issued	Price \$	\$
As at 30 June 2017	51,825,001		4,910,592
Options converted – 5 January 2018	300,000	0.30	90,000
Options converted – 23 April 2018	275,000	0.30	82,500
Transfer from options reserve upon exercise of share options	-	-	29,670
Cost of issuing equity	-	-	(4,044)
As at 30 June 2018	<u>52,400,001</u>		<u>5,108,718</u>
Issue of shares	4,999,976	0.30	1,500,000
Issue of shares to settle share based payment	500,000	-	-
Cost of issuing equity	-	-	(111,483)
As at 30 June 2019	<u>57,899,977</u>		<u>6,497,235</u>

(c) Significant Accounting Policies

Issued capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received. Ordinary share capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

(d) Terms and conditions of issued capital

Ordinary shares

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

Ordinary shareholders are entitled to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. Every ordinary shareholder present at a meeting in person or by proxy is entitled to one vote on a show of hands or by poll.

At 30 June 2019, there were no partly paid shares outstanding. Ordinary shares have no par value. The Company does not have a limit on number of shares authorised.

During the year 500,000 ordinary shares were issued to the ex-CEO in settlement of a contractual entitlement. The shares vested during the year ended 30 June 2018 and were fully expensed during the previous year.

(e) Escrow

At 30 June 2019, there were no ordinary shares were in voluntary escrow (2018: 16,475,000 escrowed to 19 June 2019).

(f) Capital Management

The Company considers its capital to comprise its ordinary share capital and accumulated losses.

In managing its capital, the Company's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through capital growth. To achieve this objective, the Company seeks to maintain a gearing ratio that balances risks and returns at an acceptable level and to maintain a sufficient funding base to enable the Company to meet its working capital and strategic investment needs. During the exploration and evaluation phase of operations the Company does not anticipate utilising any loan funding and will rely upon capital raisings.

GOLDEN MILE RESOURCES LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

6. ISSUED CAPITAL(Cont'd)

(g) Share based payments

During the year, the Company entered into a share-based payment through a contractual arrangement upon appointment of the CEO. Refer to note 7 for further details. No shares were included in this arrangement. 500,000 ordinary shares were issued in the current year to settle a share based payment from the previous year.

7. RESERVES

	2019	2018
	\$	\$
Share based payment reserve	303,635	213,329
<i>Movement in reserve</i>	2019	2018
	\$	\$
Opening balance	213,329	163,147
Key Management Personnel payments - shares	-	41,644
Key Management Personnel payments – options (b)	90,306	38,208
Options converted during the year	-	(29,670)
Closing balance	303,635	213,329

(a) Nature and Purpose of Reserves

Share based payment reserve

The reserve is used to record the value of equity instruments issued to employees and directors as part of their remuneration, and other parties as part of compensation for their services.

(b) Share based payments

Key Management Personnel payments – options

During the year, pursuant to Lachlan Reynolds' employment contract 1,500,000 share options are to be issued in three tranches, as follows:

Tranche	No. of options	Exercise Price	Vesting Period	Option value	Total expense	Expense recorded for the period
1	500,000	23.4c *	Immediately	9.54c per option	\$47,700	\$47,700
2	500,000	23.4c *	12 months from date of issue of incentive options	9.54c per option	\$47,700	\$29,012
3	500,000	31.2c **	24 months from date of issue of the incentive options	8.94c per option	\$44,700	\$13,594

* Option condition stipulated that the exercise price will be 150% of the 30 day Volume Weighted Average Price ("VWAP") from the date of issue of the Options. The options were issued on 20 November 2018.

** Option condition stipulated that the exercise price will be 200% of the 30 day VWAP. The options were issued on 20 November 2018.

GOLDEN MILE RESOURCES LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

7. RESERVES (Cont'd)

Movements in share options during the year

2019	Tenement options	Key Management Personnel Share options	Lead manager Share options	Founder share options	Total
At 1 July 2018	425,000	4,066,666	1,433,334	2,000,000	7,925,000
Granted	-	1,500,000	-	-	1,500,000
Exercised	-	-	-	-	-
Expired	-	-	-	-	-
Outstanding at 30 June 2019	425,000	5,566,666	1,433,334	2,000,000	9,425,000
<i>Exercisable at 30 June 2019</i>	425,000	4,566,666	1,433,334	2,000,000	8,425,000

Weighted average exercise price of share options at 30 June 2019 is \$0.29, and the weighted average expiration period is 668 days. There are 1,000,000 Key Management Personnel share options that have not yet vested at 30 June 2019.

2018	Tenement options	Key Management Personnel Share options	Lead manager Share options	Founder share options	Total
At 1 July 2017	1,000,000	4,066,666	1,433,334	2,000,000	8,500,000
Granted	-	-	-	-	-
Exercised	(575,000)	-	-	-	(575,000)
Expired	-	-	-	-	-
Outstanding at 30 June 2018	425,000	4,066,666	1,433,334	2,000,000	7,925,000
<i>Exercisable at 30 June 2018</i>	425,000	-	-	-	425,000

Weighted average exercise price of share options at 30 June 2018 is \$0.30, and the weighted average expiration period is 801 days. 2,916,666 of the Key Management Personnel share options, all of the Lead manager and all of the Founder share options are escrowed until June 2019. The remaining 1,150,000 Key Management Personnel share options were fully vested at 30 June 2018 but not issued until post year end.

Option valuation inputs

The options issued to Lachlan Reynolds during the period consisted of 3 tranches with the following inputs used to determine the fair value of the options:

Input	Tranche 1	Tranche 2	Tranche 3
Grant date	20/11/2018	20/11/2018	20/11/2018
Expiry date	19/11/2023	19/11/2023	19/11/2023
Share price at grant date	0.14	0.14	0.14
Exercise price \$	0.234	0.234	0.312
Risk free rate	2.32%	2.32%	2.32%
Volatility	100%	100%	100%
Fair value at grant date \$/option	0.0954	0.0954	0.0894

7. RESERVES (Cont'd)

(c) Significant Accounting Policies - share based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

(d) Conditions

Share options do not entitle the holder to participate in dividends and the proceeds on winding up of the Company. The holder is not entitled to vote at General Meetings. During the year no share options were converted to ordinary shares. As at 30 June 2019 there were 9,425,000 share options outstanding.

(e) Escrow

At 30 June 2019, there were no share options in escrow until 19 June 2019 (6,350,000 share options escrowed until 19 June 2019).

GOLDEN MILE RESOURCES LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

8. ITEMS INCLUDED IN PROFIT AND LOSS

(a) Interest Income

Significant Accounting Policies

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

(b) Items included in profit or loss

Included in profit or loss are the following specific items: -

	2019	2018
	\$	\$
<i>Share based payments expense</i>		
Directors' fees	90,306	66,880
Consultant's fees	-	12,972
	<u>90,306</u>	<u>79,852</u>

Payroll costs

Wages and salaries	280,707	175,833
Superannuation	26,261	16,150
	<u>306,968</u>	<u>191,983</u>

Exploration expenses

During the year exploration and evaluation expenses incurred that were expensed were general in nature and not attributable to individual areas of interest.

	2019	2018
	\$	\$
<i>General & administrative expenses</i>		
Audit, accounting and other professional fees	74,241	71,189
Insurance	44,399	30,756
Rent and office related costs	25,574	31,266
Subscriptions	4,993	3,174
Other expenses	8,707	6,610
	<u>157,914</u>	<u>142,995</u>

Corporate expenses

Advertising	14,018	23,245
ASX fees	44,816	37,195
Consultants fees	116,250	142,269
Legal fees	14,753	26,930
Share registry fees	16,535	7,699
Other expenses	1,637	14,673
	<u>208,009</u>	<u>252,011</u>

GOLDEN MILE RESOURCES LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

9. INCOME TAX EXPENSE

	2019 \$	2018 \$
(a) Income tax expense		
Current tax expense	-	-
Deferred tax movements	-	-
	<u>-</u>	<u>-</u>
(b) Reconciliation of income tax expense to prima facie tax on accounting loss		
Loss before income tax expense	(964,005)	(836,243)
Tax expense at Australian tax rate of 27.5%	(265,101)	(229,967)
Tax effect of amounts relating to		
- Share based payments	24,834	21,959
- Exploration expenditure	(261,778)	(578,935)
- Capitalised share issue costs	(25,203)	(49,729)
- Adjustment re previous year losses	5,401	(41,013)
- Other	(8,583)	(263)
	<u>(530,430)</u>	<u>(877,948)</u>
Unused deferred tax losses not recognised	530,430	877,948
Income Tax Expense	<u>-</u>	<u>-</u>
(c) Tax Losses		
Unused tax losses for which no deferred tax asset has been recognised	5,488,673	3,559,835
Potential tax benefit at 27.5%	<u>1,509,385</u>	<u>978,955</u>

The benefit of these losses has not been brought to account at 30 June 2019 because the directors do not believe it is appropriate to regard realisation of the deferred tax asset as being probable at 30 June 2019. These tax losses are also subject to final determination by the Taxation authorities when the Company derives taxable income. The benefits will only be realised if:

- (a) The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit of the deduction for the losses to be realised;
- (b) The Company continues to comply with the conditions for the deductibility imposed by law; and
- (c) No changes in the tax legislation adversely affect the Company in realising the benefit of the losses.

Australian tax losses are subject to further review by the Company to determine if they satisfy the necessary legislative requirements under the Income Tax legislation for the carry forward and recoupment of tax losses.

GOLDEN MILE RESOURCES LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

9. INCOME TAX EXPENSE (Cont'd)

(d) Significant Accounting Policies

Current income tax expense is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office (ATO) and other fiscal authorities relating to the current or prior reporting years that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective year of realisation, provided they are enacted or substantively enacted by the end of the reporting year.

A balance sheet approach is adopted under which deferred tax assets and liabilities are recognised for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred tax asset or liability is recognised if it arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting or taxable profit or loss.

Deferred tax assets are recognised for temporary differences and unused tax losses only when it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

10. RELATED PARTY DISCLOSURES

(a) Key Management Personnel Compensation

The aggregate compensation of the key management personnel of the Company is set out below:

	2019	2018
	\$	\$
Short term employment benefits (i)	605,769	506,277
Post-employment benefits	26,266	16,150
Share based payments	90,306	79,852
	<u>722,341</u>	<u>602,279</u>

(i) Fees of \$212,700 were capitalised into exploration expenditure during the year, as the fees were paid out in relation to consulting work completed on the Company's tenements.

Refer to the Remuneration Report in the Director's Report for detailed compensation disclosures on key management personnel.

(b) Director related entities

During the year, the Company entered into the following arrangements and transactions with entities related to directors:

- The Company engaged Moray & Agnew in providing legal services during the year. Phillip Grundy is a partner of Moray & Agnew. Legal expenses of \$7,808 (2018: \$23,011) were incurred during the year for general legal services. \$nil (2018: \$6,057) was unpaid at the year end.
- IGLS, a company owned and operated by Paul Frawley provided geological services during the year to the company. Other than the amounts contracted for Paul Frawley and disclosed as Key Management Personnel remuneration, the Company incurred expenses of \$20,759 (2018: \$111,400) in relation to these services. At 30 June 2019 \$nil (2018: \$36,297) was payable for services rendered by IGLS.
- Exploration and Mining Systems ("EMIS"), a company owned and operated by Timothy Putt, were paid \$1,200 during the year for the use of a vehicle. In 2018 \$5,000 were paid in fees to EMIS.

All transactions with related parties were undertaken on commercial terms, unless otherwise stated.

GOLDEN MILE RESOURCES LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

11. REMUNERATION OF AUDITORS

Remuneration for audit and review of the financial reports of the Company:

	2019	2018
	\$	\$
Auditors of the Company:		
Auditing the financial report (a)	32,612	32,189
Non-audit services (b)	11,628	9,000
	<u>44,240</u>	<u>41,189</u>

(a) HLB Mann Judd (“HLB”) are the auditors of Golden Mile Resources Limited.

(b) It is the Company’s policy to engage HLB on assignments additional to their statutory audit duties where HLB’s expertise and experience with the Company are important. During the year, the Company engaged HLB in providing services in relation to tax compliance.

12. COMMITMENTS FOR EXPENDITURE

(a) Capital Commitments

Other than the exploration commitments set out in note 2(d) the Company has no other capital commitments.

(b) Finance Lease

There are no commitments relating to finance leases.

(c) Operating leases

The Company has entered a rental lease for the period of 12 months, until 28 February 2020. Rent is set at \$1,295 per month and a car park space of \$499 per month, providing a commitment of \$14,352. Subsequent to the year end the lease was extended to June 2020 at the same monthly rate.

(d) Significant Accounting policies

Operating lease payments are charged to the statement of profit or loss and other comprehensive income in the years in which they are incurred, as this represents the pattern of the benefits derived from the leased assets.

13. SEGMENT INFORMATION

The Company has adopted AASB 8 *Operating Segments* whereby segment information is presented using a ‘management approach’. Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The principal business and geographical segment of the Company is mineral exploration within Western Australia.

The Board of Directors review internal management reports at regular intervals that are consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result, no reconciliation is required because the information as presented is what is used by the Board of Directors to make strategic decisions including assessing performance and in determining allocation of resources.

GOLDEN MILE RESOURCES LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

14. LOSS PER SHARE

	2019 CENTS	2018 CENTS
Basic loss per share	1.68	1.61
Diluted loss per share	1.68	1.61
	\$	\$
Net loss from continuing operations attributable to the owners of Golden Mile Resources Ltd used in calculation of basic and diluted earnings per share.	(964,005)	(836,243)
	Number	Number
Basic		
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic loss per share	57,374,149	52,020,891
Diluted		
Weighted average number of ordinary shares and convertible redeemable cumulative preference shares outstanding and performance rights during the year used in the calculation of basic loss per share	57,374,149	52,020,891

The Company made losses during the current and comparative years and, consequently, there is no dilutive in effect.

15. DIVIDENDS

No dividends were proposed or paid during the year.

16. EVENTS OCCURRING AFTER REPORTING DATE

On 23 September 2019 the Company announced that it had completed the acquisition of the Yuinmery Gold Project from Legend Resources Pty Ltd. The consideration payable per the acquisition agreement is:

- 1,000,000 fully paid ordinary shares, issued on 23 September 2019;
- 1,000,000 options, with each option having an exercise price of \$0.10 per share and which are exercisable within 3 years of their date of issue, issued on 23 September 2019; and
- \$25,000 cash.

The Yuinmery Gold Project consists of a single exploration licence, E57/1043, in the North Eastern Goldfields of Western Australia. The Project licence covers a total area of 63.3km³ and was granted on 11 October 2016 for a period of 5 years.

The Board is not aware of any other matter or circumstance not otherwise dealt with in these financial statements that has significantly or may significantly affect the operation of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

17. CONTINGENT LIABILITIES

There are no other matters which the Company considers would result in a contingent liability as at the date of this report.

18 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately. The Company has no financial instruments classified as “at fair value through profit or loss”.

Classification and subsequent measurement

The Company classifies its financial instruments based on the purpose for which the instruments were acquired. Management determines the classification of its financial instruments at the time of initial recognition. The Company’s principal financial instruments comprise receivables, payables, cash and short-term deposits.

At the reporting date, the Company’s financial instruments were classified within the following categories.

Cash and cash equivalents – financial assets at amortised cost.

See note 3.

Receivables at amortised cost

See note 4.

Financial Liabilities at amortised cost

Financial liabilities include trade payables and other creditors.

All of the Company’s financial liabilities are recognised and subsequently measured at amortised cost, using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Impairment of financial assets at amortised cost

The Company considers all financial assets for recoverability and impairment. Where there are indicators of impairment the Company will review the carrying amount of the financial asset and estimate its recoverable amount. The Company will take all available action to recover the full amounts of financial assets, and once all efforts are exhausted the Company will record an impairment. Any impairment is recorded in a separate allowance account. Any amounts subsequently written off are offset against the impairment allowance.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Financial liabilities are derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

GOLDEN MILE RESOURCES LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

18 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (Cont'd)

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred. All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (ie the Company has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial Risk Management

The Company manages its exposure to key financial risks, including interest rate and currency risk in accordance with the Company's financial risk management policy. The objective of the policy is to support the delivery of the Company's financial targets whilst protecting future financial security.

The main risks arising from the Company's financial instruments are interest rate risk, credit risk and liquidity risk. The Company manages its risk informally at Board level. The Board monitors levels of exposure to interest rate and credit risk by banking with reputable banks. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks informally.

Primary responsibility for identification and control of financial risks rests with the Board of Directors ('the Board'). The Board reviews and agrees policies for managing each of the risks identified below, including interest rate risk, credit allowances, and future cash flow forecast projections. The company does not hedge its risks.

The carrying amounts and net fair values of the Company's financial assets and liabilities at balance date are:

	2019		2018	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
			\$	\$
Financial Assets				
Cash and cash equivalents	1,126,607	1,126,607	1,589,177	1,589,177
Non-Traded Financial Assets	1,126,607	1,126,607	1,589,177	1,589,177
Financial Liabilities at amortised cost				
Trade and other payables	227,999	227,999	325,963	325,963
Non-Traded Financial Liabilities	227,999	227,999	325,963	325,963

Risk Exposures and Responses

Interest Rate Risk

Exposure to interest rate risk arises on financial instruments whereby a future change in interest rates will affect future cash flows or the fair value of the fixed rate financial instruments. The Company is also exposed to earnings volatility on floating rate instruments. At balance date, the Company's exposure to interest rate risk was wholly related to cash and cash equivalents and is disclosed in note 3.

Interest rate risk is managed by monitoring the level of floating rate which the Group is able to secure. It is the policy of the Group to keep the majority of its cash in accounts with floating interest rates.

Sensitivity Analysis

During the current year the interest received was \$14,648. The directors do not consider this material to the result or the overall financial statements and have not disclosed a sensitivity analysis.

18 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (Cont'd)

Foreign Exchange Risk

The Company is not exposed to foreign exchange risk.

Liquidity Risk

Liquidity Risk is the risk that the Company, although balance sheet solvent, cannot meet or generate sufficient cash resources to meet its payment obligations in full as they fall due, or can only do so at materially disadvantageous terms. The Company's liquidity risk relates to its trade and other payables. All payables are due within 30 days of the year end.

The Board manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Credit Risk

Credit risk arises from the financial assets of the Company, which comprise cash and cash equivalents and trade and other receivables. The Company's exposure to credit risk arises from potential default of the counter party, with maximum exposure equal to the carrying amount of these instruments. Exposure at balance date in relation to cash and cash equivalents is discussed in note 3. There is no exposure in relation to trade and other receivables as the balance relates to GST recoverable, which is not a financial instrument, and the counter-party is the Australian Tax Office.

Fair Value

The Company does not carry any of its financial assets at fair value after initial recognition.

19. APPLICABLE ACCOUNTING STANDARDS

(a) *New, Revised or Amending Accounting Standards and Interpretations Adopted*

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and effective for the year.

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 *Revenue*, AASB 111 *Construction Contracts* and several revenue-related Interpretations. The new Standard has been applied as at 1 July 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 July 2018 and comparatives are not restated. Adoption of AASB 15 has had no impact on the results of the Company.

AASB 9 Financial Instruments

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

When adopting AASB 9, the Company has applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are recognised in opening retained earnings as at 1 July 2018.

Based on the assessment by the Company, there is no cumulative effect of the initial application of AASB 9 at 1 July 2018 in accordance with the transition requirement.

Reconciliation of financial instruments of adoption of AASB 9

The Company's financial assets and liabilities are classified and valued using the same basis, being amortised cost, under AASB 9 as under the previous AASB 139.

19. APPLICABLE ACCOUNTING STANDARDS (Cont'd)

(b) *New, Revised or Amending Accounting Standards and Interpretations Not Yet Adopted*

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not yet mandatory for 30 June 2019 reporting year and have not been early adopted by the Company. The major accounting standards that have not been early adopted for the year ended 30 June 2019 but will be applicable to the Company in future reporting years, are detailed below. Apart from these standards, the Company has considered other accounting standards that will be applicable in future years, however they have been considered insignificant to the Company.

- AASB 16 'Leases' introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. This standard becomes mandatory for the Company's 31 December 2019 financial statements. The Company has decided not to early adopt AASB 16. The Company's lease arrangements are short term and the adoption of the standard will not have a material impact on the results, balances or disclosures in the financial report.

GOLDEN MILE RESOURCES LIMITED
DIRECTORS' DECLARATION

1. In the opinion of the Directors of Golden Mile Resources Limited (the "Company"):
 - (a) The financial report of the Company is in accordance with the *Corporations Act 2001*, including:
 - i. Giving a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the year ended on that date; and
 - ii. Complying with the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
2. The financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board, as described in Note 1(a) to the financial statements; and
3. This declaration has been made after receiving the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer for the financial year ended 30 June 2019.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001*. This declaration is made in accordance with a resolution of the Directors.



Mr R Grivas
Non-Executive Chairman

30 September 2019
Melbourne

Independent Auditor's Report to the Members of Golden Mile Resources Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

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

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

- a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material Uncertainty Regarding Going Concern

We draw attention to the Going Concern note as contained in Note 1 (c) in the financial report, which indicates that the Company incurred a net loss of \$964,005 (2018: \$836,243) during the year ended 30 June 2019. As stated in Note 1 (c), these events or conditions, along with other matters as set forth in Note 1 (c), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<p>Carrying value of exploration and evaluation asset Refer to Note 2 to the Financial Report</p>	
<p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> (“AASB 6”), for each of area of interest, the Company capitalises expenditure incurred in the exploration for and evaluation of mineral resources. These capitalised assets are recorded using the cost model.</p> <p>Our audit focussed on the Company’s assessment of the carrying amount of the capitalised exploration and evaluation asset, because this is one of the significant assets of the Company. There is a risk that the capitalised expenditure no longer meets the recognition criteria of AASB 6. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Testing the capitalised exploration expenditures incurred in respect of the Company’s areas of interest by evaluating supporting documentation for consistency to the capitalisation requirements of the Company’s accounting policies and the requirements of AASB 6; • We obtained an understanding of the key processes associated with management’s review of the exploration and evaluation asset carrying values; • We considered and assessed the Directors’ assessment of potential indicators of impairment; • We obtained evidence that the Company has current rights to tenure of its areas of interest; • We examined the exploration budget for 2019/20 and discussed with management the nature of planned ongoing activities; • We enquired with management, read ASX announcements and minutes of Directors’ meetings to ensure that the company had not decided to discontinue exploration and evaluation at its areas of interest; and • We examined the disclosures made in the financial report against the requirements of applicable Australian Accounting Standards.

Information Other than the Financial Report and Auditor’s Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company’s annual report for the year ended 30 June 2019, but does not include the financial report and our auditor’s report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a

material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 31 to 37 of the directors' report for the year ended 30 June 2019.

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

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in blue ink that reads 'HLB Mann Judd'.

**HLB Mann Judd
Chartered Accountants**

A handwritten signature in blue ink that reads 'Jude Lau'.

**Jude Lau
Partner**

Melbourne
30 September 2019

**GOLDEN MILE RESOURCES LIMITED
SHAREHOLDER INFORMATION**

The shareholder information set out below was applicable as at 25 September 2019.

A. Distribution of Equity Securities

Analysis of numbers of equity security holders by size of holding:

SPREAD OF HOLDINGS	NUMBER OF HOLDERS	NUMBER OF UNITS	% OF TOTAL ISSUED CAPITAL
1 - 1,000	100	56,313	0.10%
1,001 - 5,000	222	599,452	1.02%
5,001 - 10,000	151	1,253,725	2.13%
10,001 - 100,000	365	12,445,015	21.13%
100,001 and over	81	44,545,472	75.62%
TOTAL	919	58,899,977	100.00%

Based on the price per security, number of holders with an unmarketable holding: , with total, amounting to % of Issued Capital.

B. Distribution of Equity Securities – Share Options

Analysis of numbers of equity security holders by size of holding:

SPREAD OF HOLDINGS	NUMBER OF HOLDERS	NUMBER OF UNITS	% OF TOTAL SHARE OPTIONS
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	12	613,334	5.88%
100,001 and over	7	9,811,666	94.12%
TOTAL	19	10,425,000	100.00%

C. Equity Security Holders

Twenty largest quoted equity security holders.

The names of the twenty largest holders of quoted equity securities are listed below:

NAME	ORDINARY SHARES NUMBER HELD	% OF ISSUED SHARES
CHOO KOON LIP	7,500,000	12.73%
GOLDEN VENTURE CAPITAL LLC	6,000,000	10.19%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,181,015	3.70%
CJC & GC PTY LTD <CJC & GC FAMILY A/C>	1,946,494	3.30%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,619,007	2.75%
10 BOLIVIANOS PTY LTD	1,580,000	2.68%
CITICORP NOMINEES PTY LIMITED	1,507,350	2.56%
MR ROBERT ADDISON RAMSAY	1,464,063	2.49%
MISS QUEE CHIOW LEE	1,257,334	2.13%
LEGEND RESOURCES PTY LTD	1,000,000	1.70%
BURRWOOD INVESTMENTS PTY LTD <BURRWOOD INVESTMENTS A/C>	940,213	1.60%
GRANET SUPERANNUATION AND INVESTMENT SERVICES PL <GRANET SUPER FUND A/C>	933,333	1.58%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	837,642	1.42%

**GOLDEN MILE RESOURCES LIMITED
SHAREHOLDER INFORMATION**

MR WEI HAO LEE	775,000	1.32%
ROOKHARP CAPITAL PTY LIMITED	650,000	1.10%
NEMEX PTY LTD	600,000	1.02%
PEDORUMI PTY LTD <PEDORUMI A/C>	500,000	0.85%
SANCOAST PTY LTD	500,000	0.85%
M & K KORKIDAS PTY LTD <M&K KORKIDAS P/L S/FUND A/C>	495,000	0.84%
MR RENARTO FALCONE	475,000	0.81%

As at 25 September 2019, the 20 largest shareholders held ordinary shares representing 55.62% of the issued share capital.

D. Equity Security Holders – Share options

Largest quoted equity security holders. The names of the largest holders of quoted equity securities are listed below:

NAME	SHARE OPTIONS NUMBER HELD	% OF ISSUED SHARE OPTIONS
CHOO KOON LIP	2,000,000	19.18%
GOLDEN VENTURE CAPITAL LLC	2,000,000	19.18%
MR LACHLAN JOHN REYNOLDS	1,500,000	14.39%
LEGEND RESOURCES PTY LTD	1,000,000	9.59%
PEAK ASSET MANAGEMENT PTY LTD <PEAK ASSET MANAGEMENT A/C>	970,000	9.30%
TISAN INDUSTRIES PTY LTD	750,000	7.19%
RHODERICK GORDON JOHN GRIVAS	750,000	7.19%
MR PAUL FRANCIS FRAWLEY	400,000	3.84%
MR BRUCE ROBERT LEGENDRE	275,000	2.64%
PHILLIP JAMES GRUNDY	166,666	1.60%
A & J TANNOUS NOMINEES PTY LTD <ASSAD TANNOUS S/F A/C>	100,000	0.96%
MR ROSS FREDERICK CREW	100,000	0.96%
ALFRED FREDERICK ANDREI	50,000	0.48%
NEWS ARENA PTY LTD	50,000	0.48%
AUSSIE NETWORKS PTY LTD	50,000	0.48%
STRACHAN CORPORATE PTY LTD	50,000	0.48%
WCAB PTY LTD <ABWC A/C>	50,000	0.48%
ABN IR PTY LTD	50,000	0.48%
SHED CONNECT PTY LTD	50,000	0.48%
MARK LOUS LAZZARI	30,000	0.29%

As at 25 September 2019, there were 22 share option holders. The 20 largest share option holders held share options representing 99.67 of the issued share options.

Substantial Shareholders

Substantial holders in the Company are set out below:

NAME	ORDINARY SHARES NUMBER HELD	% OF ISSUED SHARES
Choo Koon Lip	7,500,000	12.73%
International Energy Equity Limited	6,000,000	10.19%

E. Voting Rights

The voting rights attached to ordinary shares are set out below:

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

F. Use of Cash

Cash and assets readily convertible to cash held by the Company at the time of admission to the Australian Stock Exchange are being used in a way consistent with its business objectives as set out in the listing prospectus.

Board of Directors

Mr Lachlan Reynolds (Executive Director)
Mr Rhoderick Grivas (Non-Executive Chairman)
Mr Phillip Grundy (Non-Executive Director)

Company Secretary

Mr Justyn Stedwell

Registered Office

1B/205 – 207 Johnston Street
Fitzroy, VIC 3065 AUSTRALIA

Principal Place of Business

1B/205 – 207 Johnston Street
Fitzroy, VIC 3065 AUSTRALIA

Share Registry

Automic Registry Services
Level 3, 30 Holt Street
Surry Hills, NSW 2012, AUSTRALIA
Telephone: 1300 288 664 (local) +61 2 9698 5414 (international)

Auditor

HLB Mann Judd
Level 9, 575 Bourke Street
Melbourne VIC 3000 AUSTRALIA

Solicitors to the Company

Moray & Agnew Lawyers
Level 6, 505 Little Collins Street
Melbourne, VIC 3000, AUSTRALIA

Stock Exchange Listing

Golden Mile Resources Limited shares are listed on the Australian Securities Exchange, code G88.