



**ANGLO AUSTRALIAN RESOURCES NL
AND ITS CONTROLLED ENTITIES**

ABN 24 651 541 976

Annual Report
For the year ended 30 June 2020



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Corporate Directory

This financial report includes the consolidated financial statements and notes of Anglo Australian Resources NL (**Anglo Australian** or the **Company**) and its controlled entities (the **Group**). The Group's functional and presentation currency is AUD (\$).

A description of the Group's operations and of its principal activities is included in the review of operations and activities in the Directors' report. The Directors' report is not part of the financial report.

Directors

Leigh Warnick - *Non-Executive Chairman*

Marc Ducler - *Managing Director*

John Jones - *Non-Executive Director*

Peter Stern - *Non-Executive Director*

David Varcoe - *Non-Executive Director*

Company Secretary

Brendon Morton

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Auditors

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Subiaco WA 6008

Bankers

National Australia Bank

197 St George's Terrace

Perth WA 6000

Solicitors

Thomson Geer

Level 27, Exchange Tower

2 The Esplanade

Perth WA 6000

Stock Exchange

Australian Securities Exchange Limited

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152-158 St George's Terrace

Perth WA 6000

ASX Code: **AAR**



Review of Operations

Anglo Australian’s principal activity during the financial year was progressing the Company’s 100% owned Mandilla Gold Project.

The Mandilla Gold Project was the subject of significant exploration effort during the financial year, with a combination of reverse circulation (RC) and diamond drilling totalling over 21km of drilling completed. The successful delineation of a large gold mineralised footprint in the Mandilla Syenite is more fully detailed below.

Anglo Australian made the decision to farm-out the Koongie Park Base Metals Project during the financial year, consistent with the Company’s focus on its flagship Mandilla Gold Project.

The Group’s operations over the last 6 months have been affected by COVID-19; however, the combined collaborative support of Government, representative industry bodies, employees, contractors, suppliers and our host communities has allowed the Company to adapt and mitigate, as far as practicable, the risks this infectious disease presents. The Company will continue to pursue its exploration activities, subject to the evolving and unforeseen impacts of COVID-19.

Mandilla Gold Project

Anglo Australian – 100%

The Mandilla Gold Project is situated in the northern Widgiemooltha greenstone belt in the western part of the Kalgoorlie geological domain, some 70 kilometres south of Kalgoorlie, Western Australia, a significant gold mining centre. The location of the project in relation to Kalgoorlie and other nearby gold projects is set out in Figure 1.

The Project lies on the western margin of a porphyritic granitic intrusion, the Mandilla Syenite. The granite intrudes volcanoclastic sedimentary rocks in the project area which form part of the Spargoville Group. The Mandilla Gold Project comprises the Mandilla East prospect, the Mandilla South prospect and the previously mined paleochannel pit.

Significant NW to WNW-trending structures along the western flank of the project are interpreted from aeromagnetic data to cut through the Mandilla Syenite and may be important in localising mineralisation at Mandilla East. A second sub-parallel structure appears to host Mandilla South. Both prospects are covered by Mining Leases.

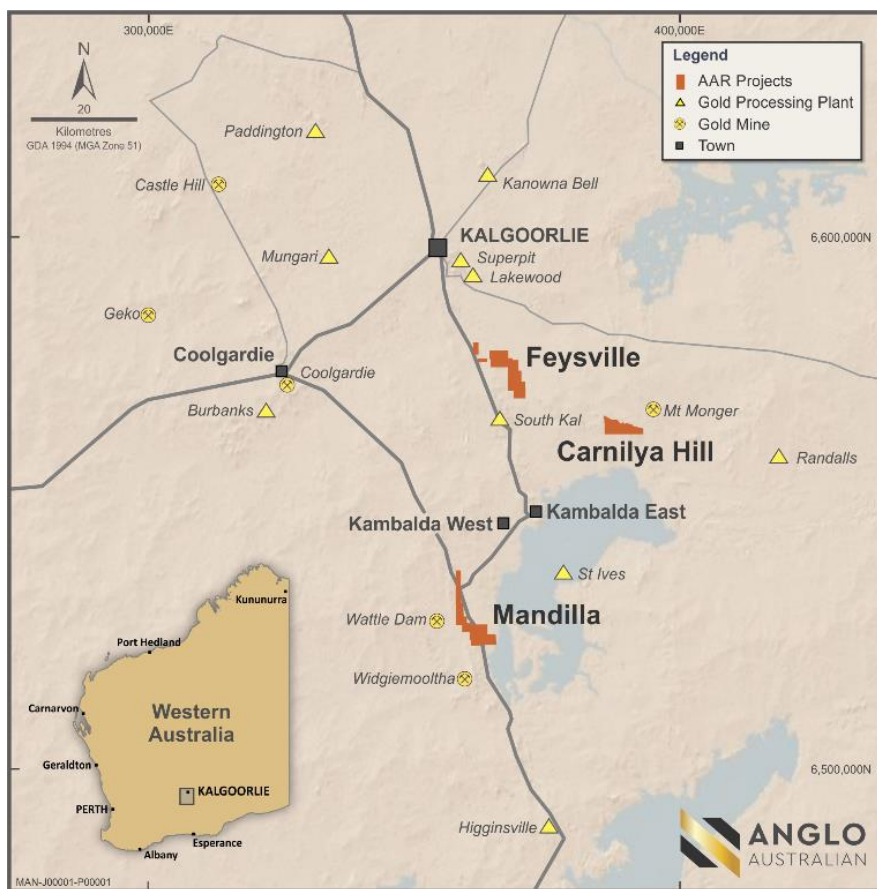


Figure 1 – Mandilla location map.



A map of the Mandilla Gold Project, illustrating key locations and geological features, is shown in Figure 2.

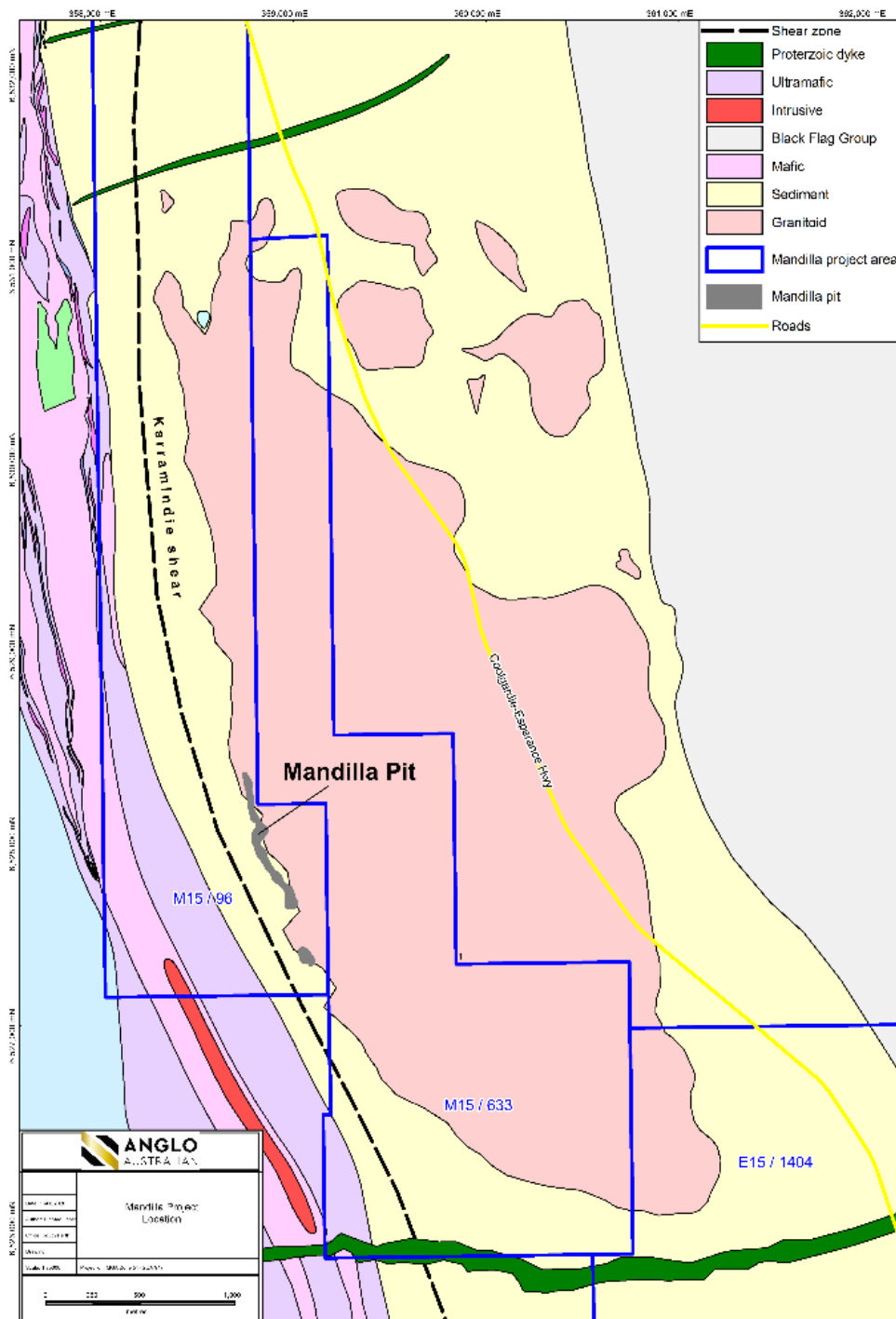


Figure 2: Mandilla local area geology.

The recent focus of exploration activity at the Mandilla Gold Project has been targeting fresh rock within the Emu Rocks Granite (Mandilla Syenite), where a combination of reverse circulation and diamond drilling continues to delineate a large gold system. The Company progressed substantial exploration activity at Mandilla during the financial year.

Several campaigns of drilling were undertaken representing 20,208m of reverse circulation (RC) drilling and 1,042m of diamond drilling. This represents a significant investment in exploration drilling and demonstrates the Company's belief in the geological potential of the Mandilla Gold Project.

Campaign 1 – Released 31 July 2019

During July 2019, the Company released results of a drilling campaign undertaken with the objective of gaining a better understanding of the geological setting of gold mineralisation at both the Mandilla East and Mandilla South Prospects. The



campaign was co-funded through a grant provided by the Department of Mines and Petroleum, Western Australia under its Exploration Incentive Scheme.

Three diamond holes were drilled for a total of 580 metres with 153 metres of RC pre-collars. This targeted the main Mandilla East zone, extensions to the north of Mandilla East and targeted Mandilla South (Figure 2)

Best results at Mandilla East included:

- 60.2 m @ 3.79 g/t Au from 65.8 m
- 64.7 m @ 0.71 g/t Au from 183 m

Best results at Mandilla South included:

- 37 m @ 1.05 g/t Au from 69 m
- 4 m @ 0.89 g/t Au from 152 m
- 1 m @ 15.42 g/t Au from 179 m

The result at Mandilla South represented the first bedrock drilling undertaken at this target. This result was important in that it demonstrated the potential for continued mineralisation along the western margin of the Emu Rocks Granite and it extended significant gold anomalism in the granitic intrusion a further 1.2 kilometres from the main Mandilla East zone.

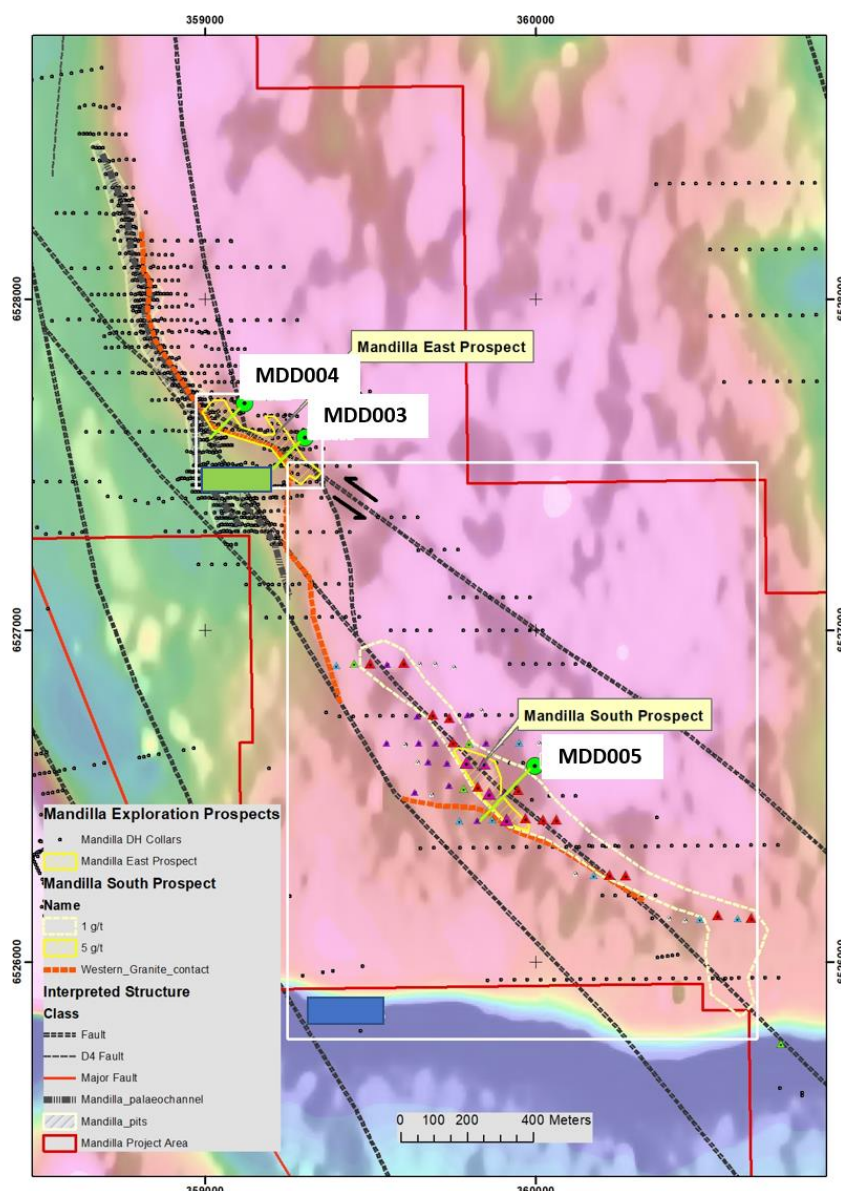


Figure 2 - Location plan of Campaign 1 drilling

Campaign 2 – Released 16 October 2019

During October 2019, the Company completed an RC program for a total of 36 holes for an aggregate 5,964 metres. A map of Mandilla identifying the location of the drill holes included in this campaign is set out in Figure 3.



The program was designed to increase the mineralisation footprint at Mandilla East on a 40 x 40 metre spacing. Four of the 36 holes were also designed to test for mineralisation at Mandilla South following on from the success of diamond drill-hole MDD005.

Key results from this program included:

- 45 m @ 4.25 g/t Au from 103 m
- 93 m @ 3.11 g/t Au from 49 m
- 94 m @ 1.17 g/t Au from 101 m
- 112 m @ 1.5 g/t Au from 41 m
- 99 m @ 1.47 Au from 36 m
- 163 m @ 1.75 g/t Au from 37 m

The results at Mandilla East demonstrated a broad steep south westerly dipping gold mineralised envelope. The mineralisation extended for over 500m along strike and remains open to the north and south and at depth.

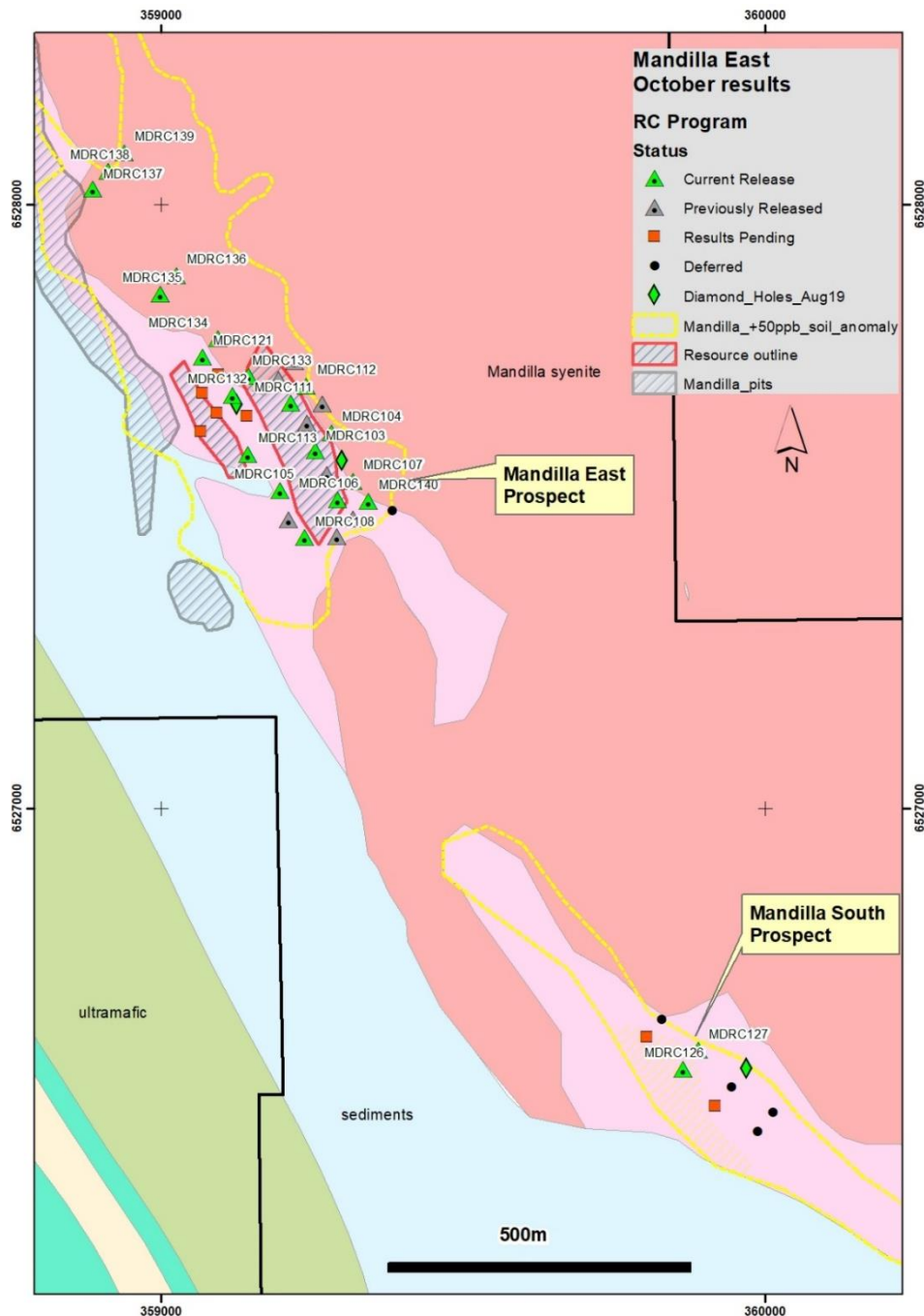


Figure 3 - Location plan of Campaign 2 drilling



Campaign 3 – Released 12 December 2019

In October 2019, the Company completed a campaign involving the drilling of 55 shallow (“slimline”) RC holes for 2,235 metres. The programme was designed to penetrate a short distance into fresh rock to test various extensional targets at Mandilla, with the objective to expand the footprint of significant mineralisation. A map of Mandilla identifying the location of the drill holes included in this campaign is set out in Figure 4.

The average depth of these holes was 41m. Assay results from all holes were reported in the ASX release dated 12 December 2019. Best results from the program included:

- 25 m @ 2.2 g/t Au from 24 m
- 4 m @ 2.31 g/t Au from 45 m
- 4 m @ 4.43 g/t Au from 38 m to EOH

The slimline RC program demonstrated the potential for a second zone of mineralisation up to 800 along strike closer to the western margin of the Mandilla Syenite intrusion (West Zone Extension Target). Additionally, this program demonstrated a potential 400 metre northern extension of the mineralisation at Mandilla East (East Zone in Figure 4).

Three RC pre-collars for a 3-hole diamond drill program were also completed and reported as part of this campaign MDRC165 reported an intersection of **37m @ 1.64g/t Au from 104m**.

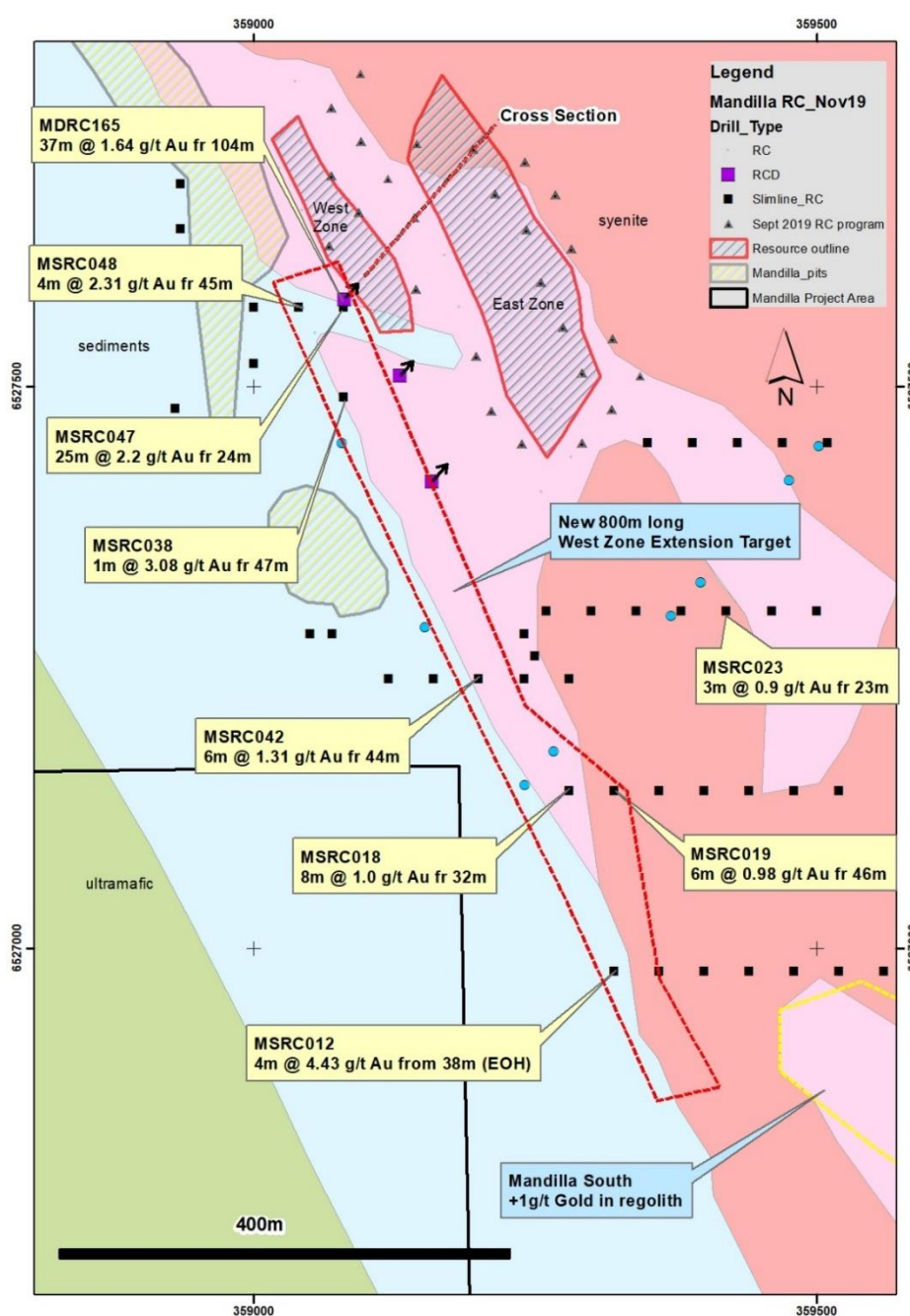


Figure 4 - Location plan of Campaign 3 drilling



Campaign 4 – Released 12 February 2020

A 16-hole RC drill campaign for an aggregate 2,750m was commenced in late December and was designed to in-fill the core of the main Mandilla East zone. The RC drilling met with considerable success, further demonstrating the thick high-grade nature of the mineralisation. This campaign was able to extend the main Mandilla East zone to the south. The locations of the drill holes are presented on Figure 5 below. Best results included:

- 45m @ 2.33g/t Au from 82m
- 21m @ 4.53g/t Au from 89m
- 42m @ 1.85g/t Au from 45m
- 41m @ 1.36g/t Au from 59m
- 21m @ 2.39g/t Au from 85m
- 15m @ 3.47g/t Au from 54m
- 14m @ 3.18g/t Au from 31m

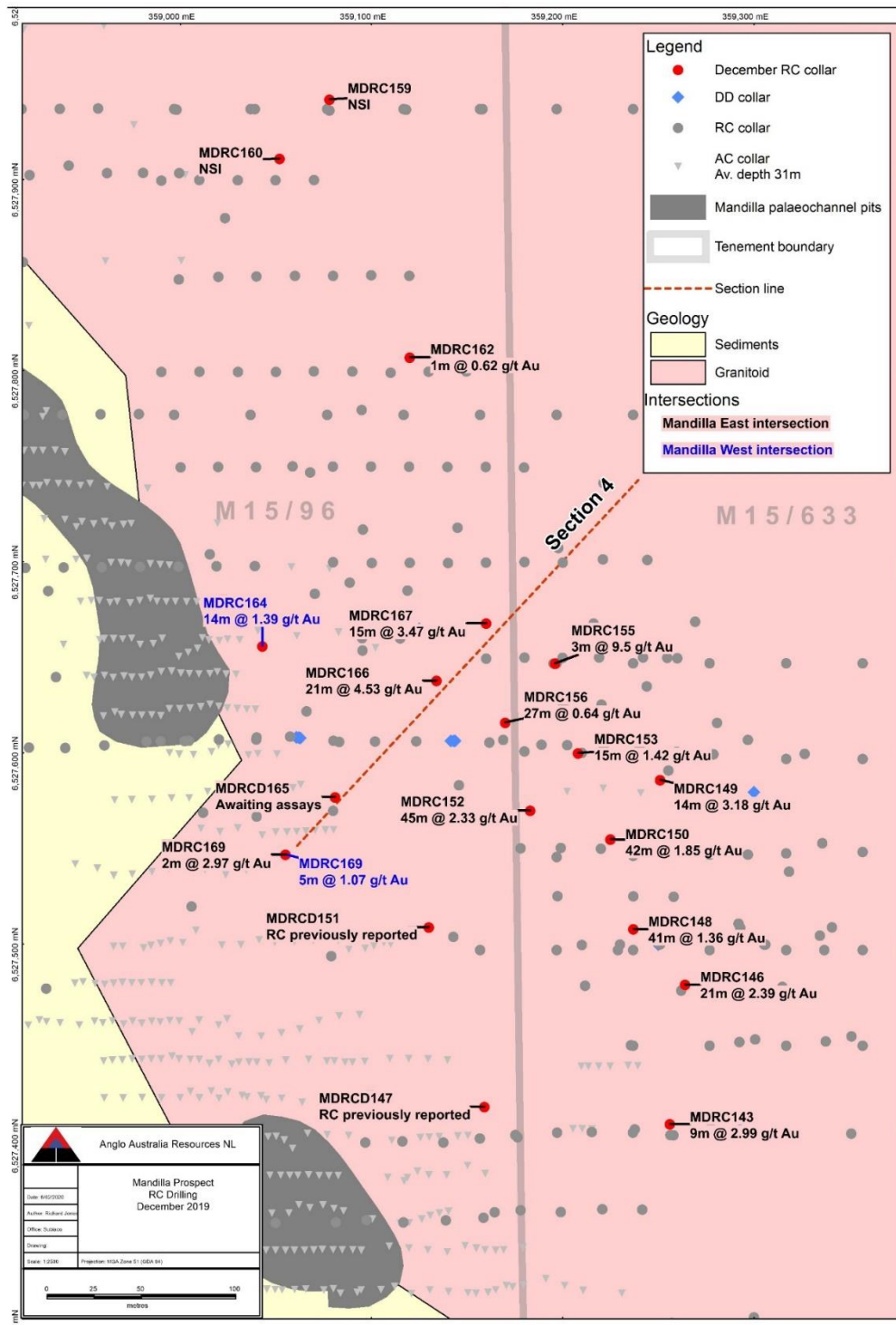


Figure 5 - Location plan of Campaign 4 drilling



Campaign 5 – Released 19 June 2020

In June 2020 Anglo Australian released the results from 9,106 m of RC drilling and 445m of diamond tails. This RC and diamond drilling campaign tested the main Mandilla East mineralised zone, tested for extensions to the north and south of Mandilla East and followed up previous bedrock mineralisation drill results at Mandilla South.

This was the most significant single campaign completed to date at the Mandilla Gold Project and it continued to deliver successful results, demonstrating further extensions along strike to the north and south of Mandilla East and also identified a 500m long bedrock mineralised zone at Mandilla South.

At Mandilla East, diamond drilling demonstrated the extension of mineralisation to a vertical depth of 230m below surface with best intersections including:

- 7.95m @ 8.31g/t Au from 163.1m plus 24.1m @ 2.11g/t Au from 216.35m
- 26.6m @ 1.49g/t Au from 182.5m

Extensions along strike to the north and south of Mandilla East were demonstrated with the bedrock mineralisation extending from 500m to over 1,000m of strike. A map of Mandilla identifying the location of the drill holes included in this campaign is set out in Figure 6 below. Best intersections included:

- 26m @ 8.29g/t Au from 76m
- 21m @ 3.7g/t Au from 35m
- 17m @ 3.71g/t Au from 59m
- 9m @ 5.89g/t Au from 76m
- 38m @ 1.34g/t Au from 38m
- 14m @ 2.19g/t Au from 34m

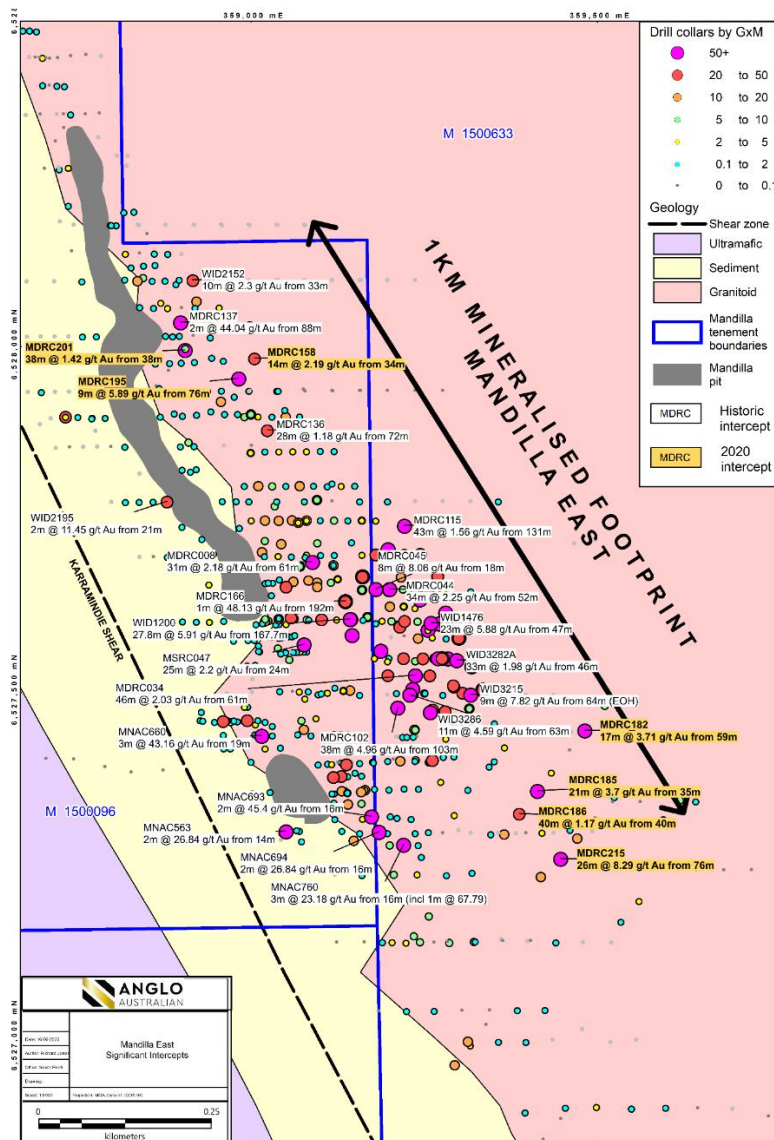


Figure 6 - Location plan of Campaign 5 drilling at Mandilla East



A total of 12 holes were drilled at Mandilla South. This program successfully delineated a 500m long mineralised footprint and combined with detailed magnetic imagery collected by the Company provides an opportunity for Anglo Australian to delineate a mineralised zone of similar scale to Mandilla East. Best intersections included:

- 27m @ 1.79g/t Au from 168m plus 10m @ 1.76g/t Au from 123m
- 16m @ 1.65g/t Au from 188m plus 31m @ 0.53g/t Au from 131m

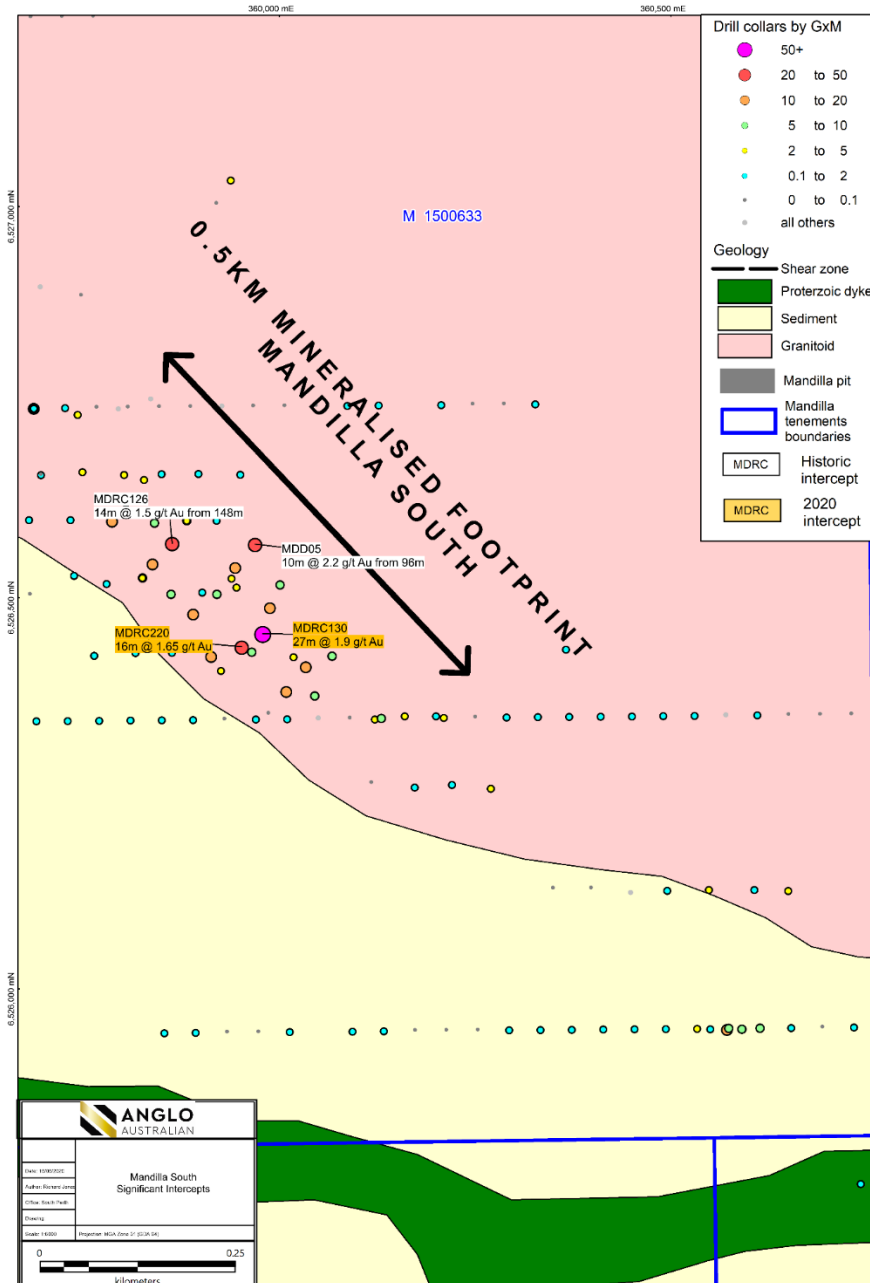


Figure 7 - Location plan of Campaign 5 drilling at Mandilla South

Drone Magnetic Survey

A high-resolution drone magnetic survey (DroneMag) was completed in March 2020. Areas of low magnetic susceptibility have been demonstrated previously to closely correspond with reported mineralised intervals, such as at Mandilla East. Accordingly, magnetic low domains in detailed magnetic data appear to outline gold related alteration and assist in both validating current geological interpretations and generating new exploration targets.

Figure 8 below shows the extensional targets to the north and south of Mandilla East. These extensional targets correspond with areas of low magnetic response that are also associated with identified structures. Initial RC drilling confirmed the Mandilla East extensions directly to the north and south. A second zone in the south-east was also located oriented along a NW striking structure. A NNW trending target to the north of Mandilla East is still to be fully tested as previous drilling targeted a zone further west on a north-westerly orientation.



Follow-up drilling is planned to test targets highlighted in the DroneMag (as depicted in Figure 8) and to in-fill the new north and south extensions to further extend the mineralisation at the Mandilla Gold Project. Additionally, the Mandilla South target appears to be of similar scale to that of Mandilla East with only limited RC drilling to date. Follow-up diamond and step-out RC drilling is planned at Mandilla South. This drilling will also investigate the potential for a mineralised corridor between Mandilla East and Mandilla South.

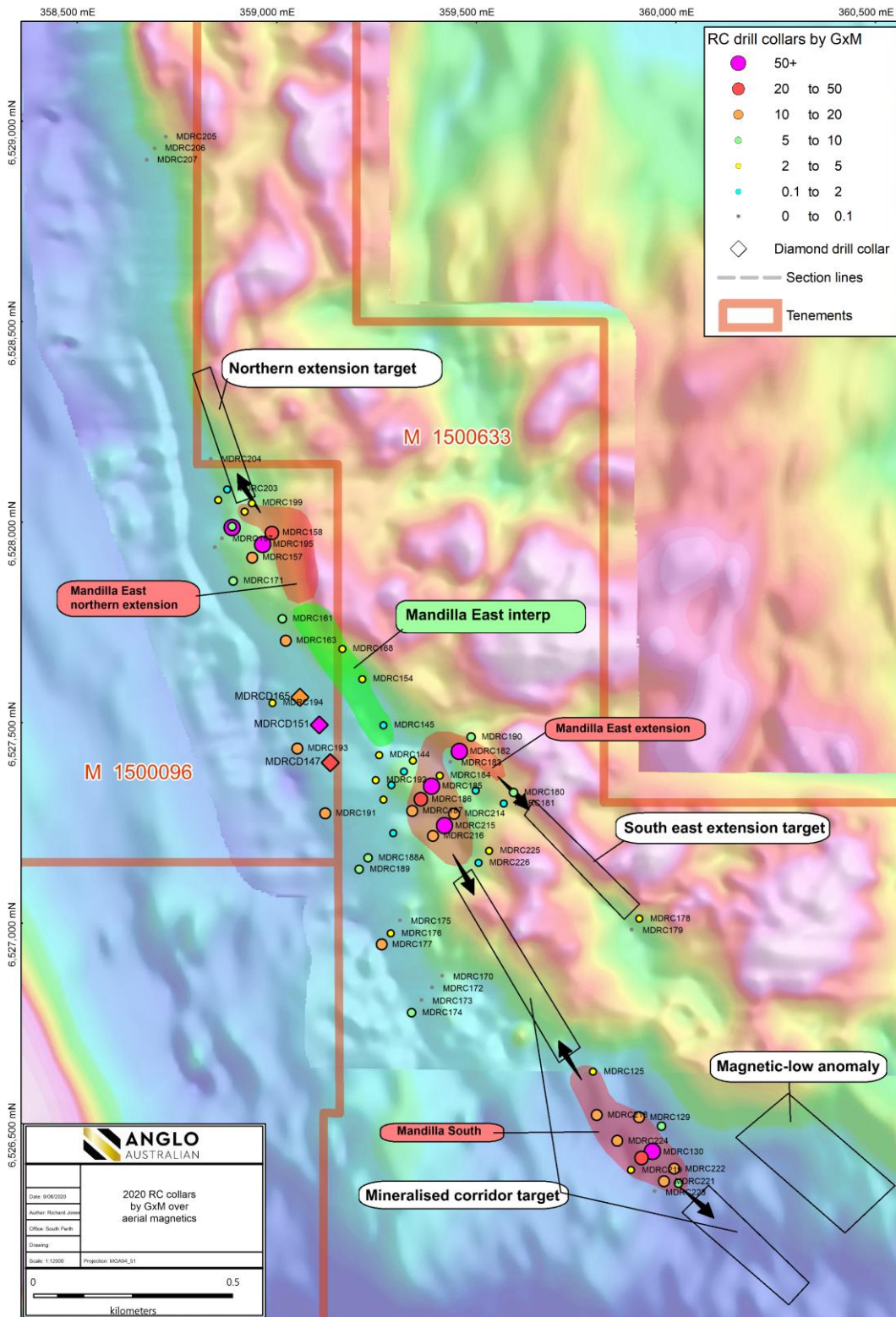


Figure 8 - Detailed magnetic image of Mandilla Gold Project



Mandilla Gold Project Summary

Following the most extensive exploration drilling effort ever undertaken at Mandilla during the 2020 financial year the Company has delineated a potential large bulk scale gold mineralised system. The bedrock mineralisation now represents over 1,000m of strike extent at Mandilla East and remains open along strike in both directions. More recently and post year end, the mineralisation has been defined to over 350m of vertical depth.

At Mandilla South, the bedrock mineralisation has been defined to over 500m of strike. Mandilla South remains very lightly drilled and presents a potential scale of mineralisation similar to Mandilla East.

Forward Plan

A successful capital raising was completed subsequent to year end. An active exploration drilling program comprising RC and diamond drilling will continue through the 2021 financial year.

Planned diamond and RC drilling will:

- continue to define the current Mandilla East mineralisation, with drill spacing tightening to a 40m x 20m pattern;
- define the current Mandilla South mineralisation to a 40m x 40m spacing;
- test the south east extension of Mandilla East;
- test the potential mineralised corridor between Mandilla East and Mandilla South; and
- test the potential of the magnetic low to the east of Mandilla South.

Dependent on ongoing drill success the potential scale of the drilling programs is estimated to total a further 70,000m of RC and diamond drilling during the 2021 calendar year.

Additionally, Anglo Australian will target the completion of a Mineral Resource Estimation for Mandilla East in the fourth quarter of calendar year 2020, as well as commencing initial technical, economic and environmental studies (including metallurgical testwork) to underpin future feasibility studies and government approvals.

Koongie Park Gold and Base Metals Project - WA

Anglo Australian - 100% interest

Summary

The Koongie Park Project (the **Project**) is located 25km south-west of Halls Creek in the North East Kimberley region of Western Australia, straddling the Great Northern Highway (refer to Figure 9). The port of Wyndham is located 400km to the north of the Project. The Company obtained an interest in the Project in 1990 and moved to 100% ownership in 2002. The Company's substantial tenement position is illustrated in Figure 10.

Between 2006 and 2010, the Company completed extensive diamond drilling programs for resource delineation and metallurgical testing.

The Company completed a Pre-Feasibility Study (PFS) to assess the viability of a mining operation at the Sandiego deposit during October 2008. The completion of this study coincided with a sharp drop in copper and zinc commodity prices. During 2010, the economics of the Sandiego Project were potentially improved with the discovery and definition by drilling of a cap of high-value, high-grade supergene copper mineralisation at relatively shallow depth above the deeper mineralisation that formed the basis of the PFS. As a result of the shallow position of the new mineralisation, the Company undertook a Scoping Study, incorporating an open pit optimisation study.

Neither the 2008 PFS nor the 2010 Scoping Study included provision for an open cut mining operation in the oxide and transition ores at the Onedin Zinc Copper deposit. A key hurdle was the development or identification of a suitable metallurgical process to unlock the value of the oxide resources at Onedin, however a suitable metallurgical process has never been identified.

In 2019, the Company completed an exploration program of 15 RC holes on targets at Bulldog and Nicolson's East (refer to ASX Announcement dated 24 July 2019) for an aggregate 822m (average depth of approximately 55 metres per hole).

This demonstrated the presence of gold mineralisation beneath the mapped positions of quartz vein outcrops, with gold assays of up to 11.27g/t Au over 1 metre.

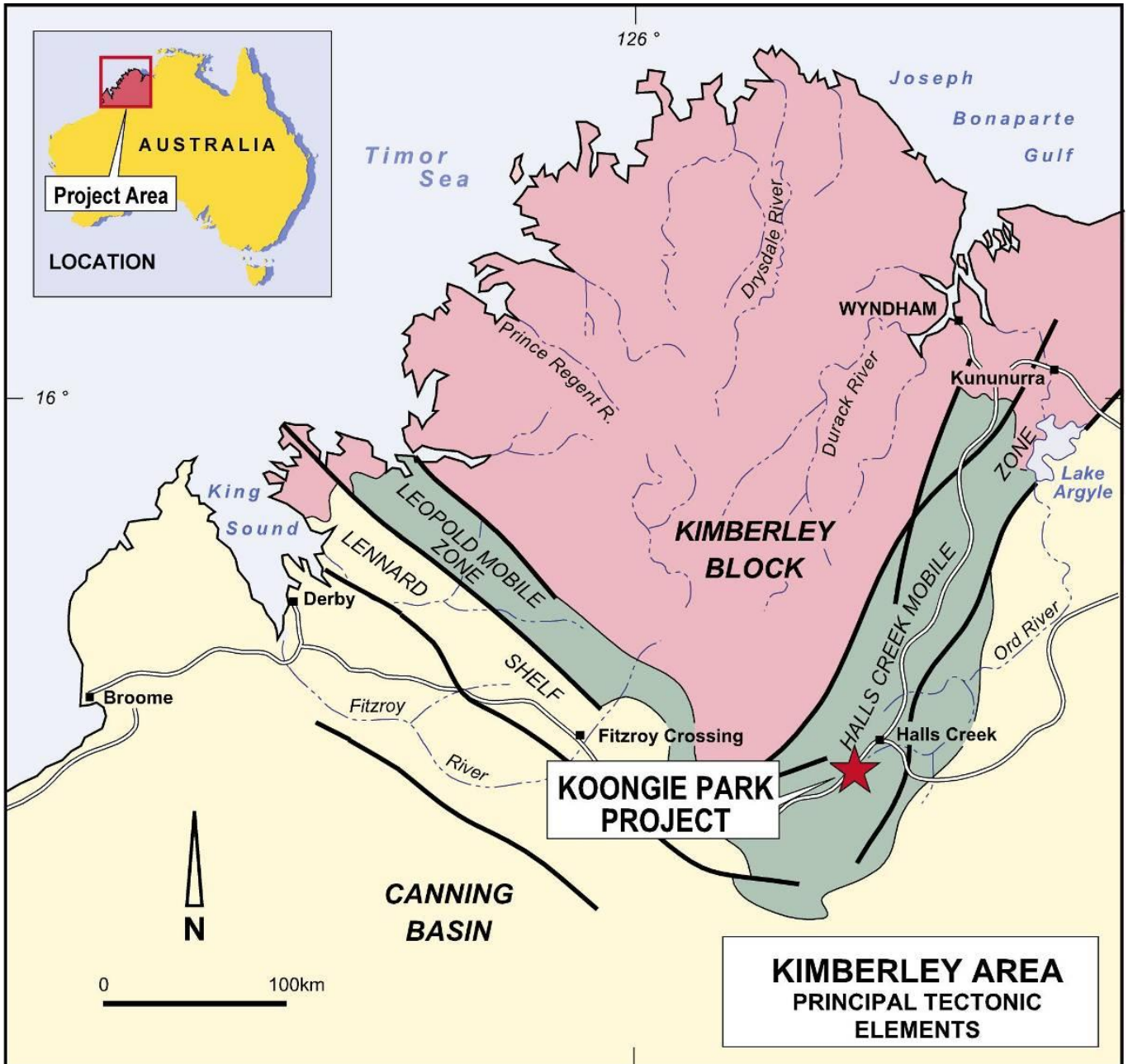


Figure 9 – Koongie Park, Location Map.

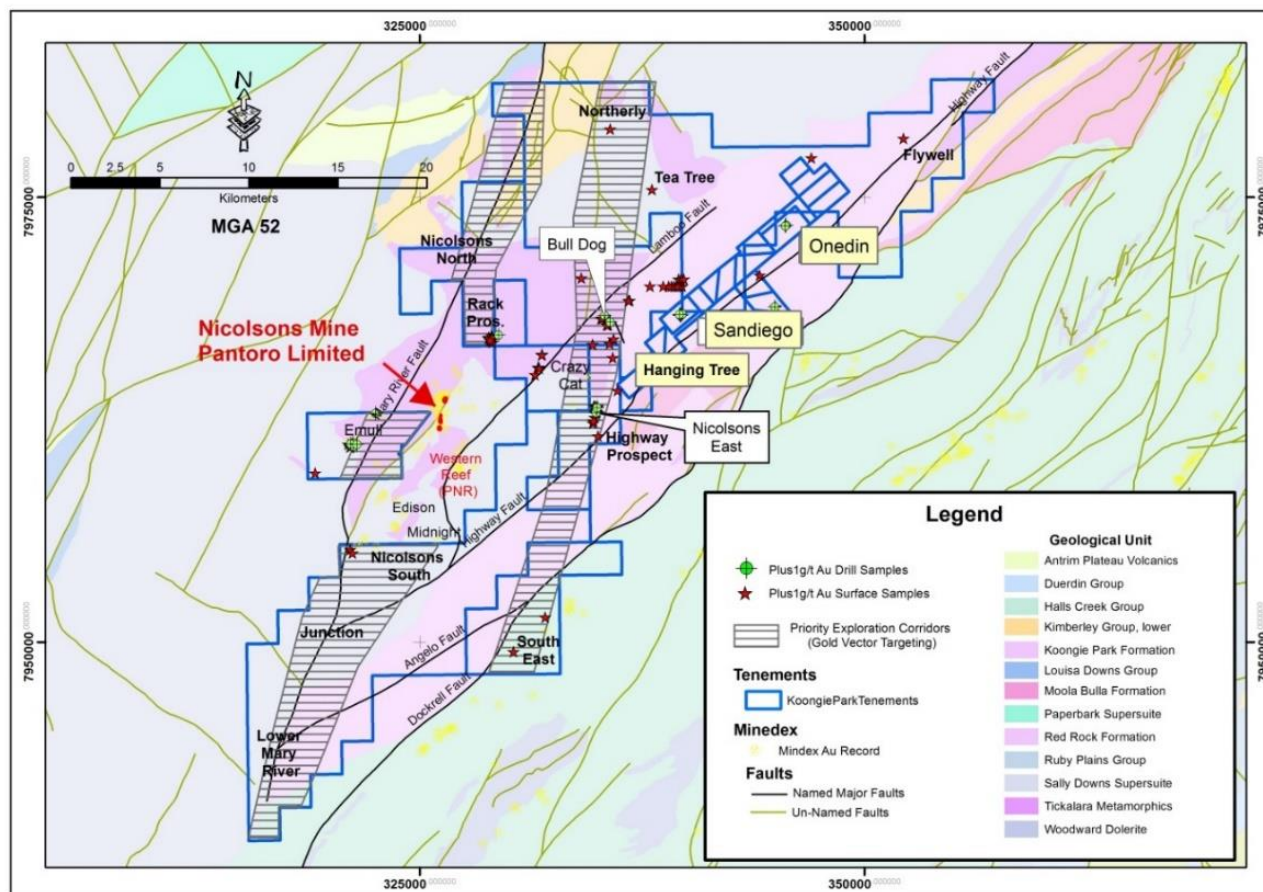


Figure 10 – Koongie Park, Tenement Map (illustrating key features)

Historical Mineral Resource Estimates (JORC 2004 compliant)*

The Company has previously reported historical Mineral Resource estimates for the Sandiego deposit (refer to Table 1) and the Onedin deposit (refer to Table 2) at Koongie Park.

Sandiego Deposit Indicated & Inferred Resources									
Classification	Tonnes	Cu %	Zn %	Au g/t	Ag g/t	Cu Tonnes (Kt)	Zn Tonnes (Kt)	Au (K Oz)	Ag (K Oz)
Supergene Copper (0.8% Cu lower cutoff)									
Indicated	370,000	4.0	2.7	0.29	48	15	10	4	577
Inferred	10,000	1.0	0.1	0.05	3	0	0	0	1
Cu dominant Transitional/Primary Lodes (0.8% Cu lower cutoff)									
Indicated	1,140,000	2.8	1.5	0.43	12	32	17	16	427
Inferred	440,000	1.8	2.0	0.25	5	8	9	4	75
Zn dominant Transitional/Primary (3.0% Zn lower cutoff)									
Indicated	1,220,000	0.2	7.0	0.16	26	3	85	6	1042
Inferred	350,000	0.1	6.2	0.14	9	1	21	1	95

Table 1 - Mineral Resource Estimate – Sandiego Deposit (refer to ASX Announcement dated 1 November 2010, based on Sandiego Resource Estimate prepared by Coffey Mining Pty Ltd).



Onedin Indicated Resource						
Lode	Tonnes	Zn %	Cu %	Pb %	Ag g/t	Au g/t
Zinc Lode	1,326,000	5.40	0.15	0.62	24.87	0.25
Copper Lode	2,481,000	0.85	1.08	0.94	21.01	0.33
Mixed Zone	650,000	7.98	1.11	1.43	47.13	0.37
Total	4,458,000	3.24	0.81	0.92	25.97	0.31

Table 2 - Mineral Resource Estimate – Onedin Deposit (refer to March 2009 Quarterly Report dated 30 April 2009, based on Onedin Resource Estimate prepared by CSA Global Pty Ltd).

***Cautionary Statement:** The references to the previously reported historical Mineral Resource estimates for the Sandiego deposit and Onedin deposit are reported in accordance with the 2004 JORC Code and are not reported in accordance with the 2012 JORC Code. A competent person has not done sufficient work to classify these historical estimates as Mineral Resource estimates in accordance with the 2012 JORC Code and it is uncertain that following evaluation and/or further exploration work that these historical estimates will be able to be reported as Mineral Resources in accordance with the 2012 JORC Code.

KOONGIE PARK FARM-OUT AGREEMENT

General

On 25 June 2020, the Company announced that it had entered into a binding term sheet with AuKing Mining Limited (**AuKing**) with respect to the Koongie Park Project (**Agreement**). Under the Agreement, AuKing and Anglo Australian propose to form a joint venture (**Joint Venture**) on terms which include, but are not limited to, the following:

- Anglo Australian retains the right to explore for and develop precious metals deposits within the project area; and
- AuKing is granted the right to:
 - Explore for and develop base metals deposits within the project area;
 - Conduct exploration and development activities for base metals deposits on the project area during the earn-in period; and
 - Earn up to a 75% interest in the project area through the joint venture by funding exploration and project development studies (as stipulated below).

Conditions Precedent

The Agreement does not bind the parties and has no force or effect unless and until the following conditions are satisfied or waived:

- AuKing completing due diligence in respect of the Koongie Park Project within 30 days of the date of the Agreement;
- AuKing obtaining all necessary AuKing shareholder and regulatory approvals, including for the purposes of Chapters 1, 2 and 11 of the ASX Listing Rules, as required to give effect to the transaction contemplated by the Agreement; and
- AuKing successfully raising a minimum of A\$6,000,000 pursuant to a capital raising.

(together, the **Conditions Precedent**).

AuKing and Anglo Australian must use reasonable endeavours to satisfy the Conditions Precedent as soon as possible and, in any event, within 120 days of the date of the Agreement. The parties may terminate the Agreement if the Conditions Precedent are not satisfied within this period.

AuKing Earn-in Rights

The Agreement provides for a two-staged earn-in process whereby AuKing can ultimately secure a 75% interest in the Koongie Park Project. A summary of the two-stage earn-in is provided below.

First Earn-in Period

AuKing shall be deemed to have earned a nominal 25% interest in the Joint Venture (to be formed upon satisfaction of the first earn-in milestone) upon AuKing making a total initial payment of \$1,000,000 to Anglo Australian, in the following tranches:

- \$100,000 non-refundable deposit (paid on 1 July 2020); and
- \$900,000 immediately after satisfaction of the Conditions Precedent.

During the First Earn-In Period of twenty four (24) months after the satisfaction of the Conditions Precedent, AuKing may earn a further 25% interest in the Joint Venture by incurring expenditure of \$1.5 million including expenditure on exploration, testwork and related analysis to establish a commercially viable processing solution for the Koongie Park oxide ores (**First Earn-In Milestone**).



Upon satisfying the First Earn-in Milestone, AuKing shall be deemed to have earned an additional 25% interest in the Joint Venture for a total 50% interest. The Joint Venture is to be formed upon satisfaction of the First Earn-in Milestone. AuKing then has a 10-business day period to elect to proceed with the Second Earn-In Period.

If AuKing fails to satisfy the First Earn-in Milestone during the First Earn-in Period, AuKing will be deemed to have withdrawn from the Joint Venture, will cease to have any interest in the Joint Venture and the Agreement automatically terminates.

Second Earn-in Period

During the Second Earn-in Period, which is the 12 month period commencing from AuKing's election to proceed with the Second Earn-in after completion of the First Earn-In Period, AuKing may earn a further 25% interest in the Joint Venture by incurring additional expenditure of \$1,500,000, including expenditure on exploration activities and feasibility studies with a view to establishing mining operations on the Onedin and Sandiego deposits on the Tenements (**Second Earn-In Milestone**).

Upon satisfying the Second Earn-in Milestone, AuKing shall be deemed to have earned an additional 25% interest in the Joint Venture for a total 75% interest in the Joint Venture. If AuKing fails to satisfy the Second Earn-In Milestone during the Second Earn-in Period, then AuKing will retain its earned interest in the Joint Venture of 50%.

For the duration of the Second Earn-in Period, AuKing agrees to sole fund all expenditure on exploration activities in relation to the Joint Venture and free carry Anglo Australian's interest in the Joint Venture.

Any exploration expenditure incurred by Anglo Australian pursuant to the exercise of its precious metal rights does not constitute expenditure for the purposes of AuKing satisfying the First or Second Earn-In Milestones.

AuKing paid the non-refundable deposit on 1 July 2020 and completed due diligence during July 2020. AuKing and Anglo Australian are continuing to progress the remaining Conditions Precedent.

Feysville Gold Project – WA

Anglo Australian - 100% interest (with tenements under purchase option held by Anglo Australian)

The Feysville Gold Project is located in Australia's premier gold belt, approximately 14 kilometres south of the giant Golden Mile deposit (70 MOz) at Kalgoorlie. The belt extends for some 100 kilometres along a north, north-west strike, and takes in major gold deposits at New Celebration (3 MOz), some 10 kilometres south of Feysville, and the large St Ives field (+15 MOz) 30 to 60 kilometres to the south. The Feysville Gold Project tenements are depicted on the location map in Figure 1 above. The Feysville Gold Project comprises a number of prospects, including Think Big, Hyperno and Saintly.

On 16 July 2019, the Company provided an update on the Feysville Gold Project. A RC drill program of 46 holes for an aggregate 3,540m was completed. A map of the Feysville Gold Project identifying the key geological features and the various prospects that were tested in this drilling campaign in Figure 11 below.

At Think Big an infill RC campaign of 26 holes for 2,380m was completed. The key intersections returned included:

- **10m @ 3.6 g/t Au from 46m**
- **10m @ 10.0 g/t Au from 23m**
- **2m @ 11.1 g/t Au from 32m**
- **2m @ 10.5 g/t Au from 29m**

At Hyperno and Saintly, 20 holes for an aggregate 1,260m were drilled with best results of:

- **10m @ 2.93 g/t Au from 56m**
- **11m @ 1.04 g/t Au from 12m**
- **22m @ 0.84g/t Au from 18m**

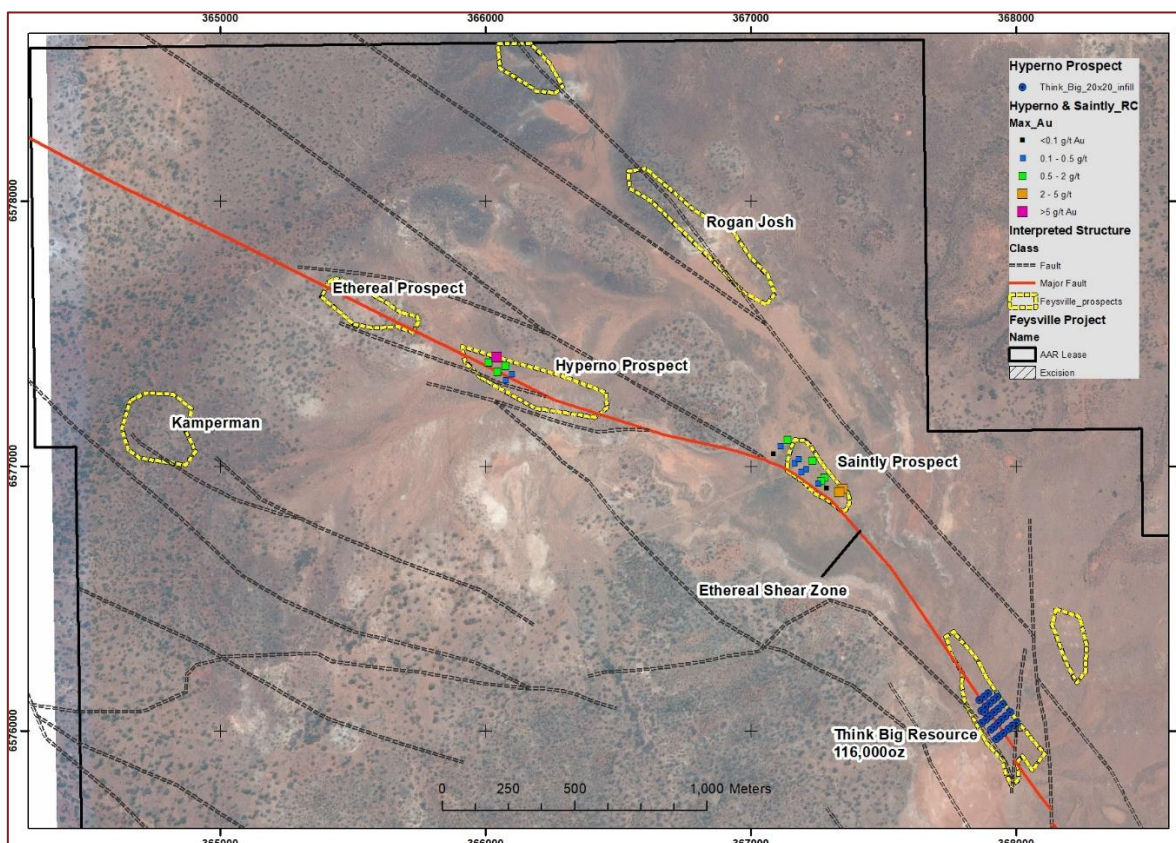


Figure 11 - Location plan of drilling completed at the Feysville Gold Project

A maiden JORC Mineral Resource Estimate was announced on 8 April 2019. The Mineral Resource Estimate, separately identifying Indicated and Inferred Resources for cut-off grades of 0.5, 0.8 and 1.0 g/t Au, is set out in Table 3.

Category	Cut-off Grade	Tonnage	Grade	Ounces Au
Indicated	0.5 g/t Au cut-off	2,285,000	1.3	95,900
	0.8 g/t Au cut-off	1,541,000	1.6	80,700
	1.0g/t Au cut-off	1,214,000	1.8	71,400
Inferred	0.5 g/t Au cut-off	572,000	1.1	20,200
	0.8 g/t Au cut-off	416,000	1.3	17,000
	1.0g/t Au cut-off	299,000	1.4	13,600
TOTAL	0.5 g/t Au cut-off	2,857,000	1.3	116,100
	0.8 g/t Au cut-off	1,957,000	1.6	97,700
	1.0g/t Au cut-off	1,513,000	1.7	85,000

Table 3: Think Big Global Mineral Resource Estimate.

The Mineral Resource Estimate for the supergene enriched gold mineralisation (which is included within the Global estimate in Table 3) is set out in Table 4.

Category	Cut-off Grade	Tonnage	Grade	Ounces Au
Indicated	0.5 g/t Au cut-off	279,000	2.2	20,100
	0.8 g/t Au cut-off	250,000	2.4	19,500
	1.0 g/t Au cut-off	209,000	2.7	13,300
	3.0 g/t Au cut-off	54,600	5.5	9,800

Table 4: Think Big Supergene Enriched Gold Mineral Resource Estimate (included in Global estimate in Table 3).



Carnilya Hill Gold Project – WA

Anglo Australian – 100% of gold rights

Carnilya Hill is located approximately 20 kilometres east-south-east of the Company's Feysville Project and approximately 40 kilometres south-east of Kalgoorlie, Western Australia.

The Project encompasses four tenements – M26/047-049 and M26/453, representing an aggregate area of approximately 2.65 square kilometres – with rights to nickel and other minerals held by Mincor Resources NL (ASX: MCR).

A prospect named Hang Glider Hill has been outlined by Lefroy Exploration Limited (ASX: LEX) immediately north of the Carnilya Hill tenements. The prospect comprises a surface gold geochemical anomaly where a number of gold nuggets have been recovered.



Schedule of Mining Tenements

The Company reports the following interests in mining tenements in Western Australia in accordance with ASX Listing Rule 5.20.

Project	Tenement	Company Interest	Title Registered to
Koongie Park (Western Australia)	M80/276, 277 E80/4389, 4766, 4957, 4960 E80/5076, 5087, E80/5127 E80/5263 P80/1802-10 P80/1831-1837	100%	Anglo Australian Resources NL
Feysville (Western Australia)	P26/3943-3944 P26/3947-3951 P26/4051-4052 P26/4074-4077 P26/4293, 4294	100%	Feysville Gold Pty Ltd
Mandilla (Western Australia)	M15/96 M15/633 E15/1404	100% gold rights only 100% gold rights only 100%	Apollo Phoenix Resources Pty Ltd Anglo Australian Resources NL Anglo Australian Resources NL
Carnilya Hill (Western Australia)	M26/47 - 49 M26/453	100% gold rights only	Mincor Resources NL
Leonora (Western Australia)	E37/1287 E7/1355	100%	Anglo Australian Resources NL



Compliance Statement

The information in this Report that relates to exploration targets and exploration results is based on information compiled by Ms Julie Reid, who is a full-time employee of Anglo Australian Resources NL.

Ms Reid is a Competent Person and a Member of The Australasian Institute of Mining and Metallurgy.

Ms Reid 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 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ms Reid consents to the inclusion in this report of the material based on this information, in the form and context in which it appears.

The information in this Report that relates to the Indicated and Inferred Mineral Resource for the Sandiego Deposit was first reported in accordance with JORC 2004 on 1 Nov 2010. The Company confirms that it is not in possession of any new information or data relating to these historical Mineral Resource estimates that materially impacts on the accuracy or reliability of these historical estimates. The Company also confirms that all material assumptions and technical parameters underpinning these historical Mineral Resource estimates continue to apply and have not materially changed.

The information in this Report that relates to the Indicated and Inferred Mineral Resource for the Onedin Deposit was first reported in accordance with JORC 2004 on 30 April 2009. The Company confirms that it is not in possession of any new information or data relating to these historical Mineral Resource estimates that materially impacts on the accuracy or reliability of these historical estimates. The Company also confirms that all material assumptions and technical parameters underpinning these historical Mineral Resource estimates continue to apply and have not materially changed.

The information in this report that relates to Mineral Resources for the Feysville Gold Project was first reported in accordance with JORC 2012 on 8 Apr 2019. The Company confirms that it is not in possession of any new information or data relating to these historical Mineral Resource estimates that materially impacts on the accuracy or reliability of these historical estimates. The Company also confirms that all material assumptions and technical parameters underpinning the Resource estimate continue to apply and have not materially changed.



Directors' Report

Your Directors present the following report on Anglo Australian Resources NL and its controlled entities (referred to hereafter as "the Group") for the year ended 30 June 2020.

Directors

The names of the Directors in office during the financial year and until the date of this report are as follows.

Name	Role	Date of Appointment / Resignation
Leigh Warnick	Non-Executive Chair	Appointed 23 December 2019
Marc Ducler	Managing Director	Appointed 23 December 2019
John Jones	Non-Executive Director	Appointed 9 February 1990
Peter Stern	Non-Executive Director	Appointed 28 November 2011
David Varcoe	Non-Executive Director	Appointed 28 November 2019
Graeme Smith	Non-Executive Director	Appointed 18 March 2014 / Resigned 23 December 2019
Andrew Barclay	Non-Executive Director	Appointed 13 December 2019 / Resigned 23 December 2019
Matthew Hardisty	Non-Executive Director	Appointed 13 December 2019 / Resigned 23 December 2019
David Sanders	Non-Executive Director	Appointed 27 November 2019 / Resigned 28 November 2019

Principal Activities

During the financial year, the principal activities of the Group consisted of progressing the Company's 100% owned Mandilla Gold Project and evaluating its portfolio of tenements and projects in order to identify opportunities to maximise value for shareholders.

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

Dividends

There were no dividends paid or proposed during the year.

The Consolidated Statement of Profit or Loss and other Comprehensive Income shows a net loss from continuing operations attributable to owners of \$2,710,042 for the financial year ended 30 June 2020 (2019: loss of \$656,006).

Significant changes in the state of affairs

During the year, the Company announced and completed the following capital raisings:

- On 5 August 2019, the Company announced that it had raised \$1.4 million via the issue of 21 million shares at \$0.065 per share.
- On 13 January 2020, the Company announced that it had raised \$558,151 via the issue of 5.3 million shares at \$0.105 per share.
- On 2 March 2020, the Company issued 4,367,500 fully paid ordinary shares pursuant to a Settlement Agreement at a deemed issued price of \$0.10 per share.
- On 11 March 2020, the Company announced that it had raised \$5.5 million via the issue of 55 million shares at \$0.10 per share.

During the year, the following unlisted options were exercised, resulting in the issue of fully paid ordinary shares:

- On 27 September 2019, the Company issued 400,000 fully paid ordinary shares upon the exercise of 400,000 unquoted options with an exercise price of \$0.025, expiring 30 November 2020.
- On 17 October 2019, the Company issued 2,500,000 fully paid ordinary shares upon the exercise of 2,500,000 unquoted options with an exercise price of \$0.02, expiring 30 November 2019.
- On 25 November 2019, the Company issued 19,800,000 fully paid ordinary shares upon the exercise of 19,800,000 unquoted options with an exercise price of \$0.02, expiring 30 November 2019.
- On 25 November 2019, the Company issued 7,200,000 fully paid ordinary shares upon the exercise of 7,200,000 unquoted options with an exercise price of \$0.02, expiring 30 November 2020.

Other than stated above, there were no significant changes in the state of affairs of the Group during the year.



Matters subsequent to the end of the period

Date	Details
2 July 2020	The Company advised that it had appointed BDO Audit (WA) Pty Ltd as auditor of the Company. A resolution will be proposed at the Company's 2020 Annual General Meeting to ratify the appointment.
22 July 2020	The Company issued 2,382,216 LTI performance rights to a nominee of Mr. Marc Ducler, Managing Director. The LTI Performance Rights were issued under the Company's Employee Incentive Plan and were approved by resolution of shareholders on 16 June 2020.
6 August 2020	The Company issued 2,500,000 unquoted options to a third party with respect to services rendered (refer to Note 20), with the following exercise prices and expiry dates: <ul style="list-style-type: none"> ▪ 1,250,000 unquoted options exercisable at \$0.133, expiring 31 December 2021; and ▪ 1,250,000 unquoted options exercisable at \$0.15, expiring 31 December 2022.
31 August 2020	The Company announced that it had reached agreement with the respective owners to extinguish two third-party royalties held over tenement M15/633 of the Mandilla Gold Project. The third-party royalties provided for the following payments: <ul style="list-style-type: none"> ▪ Royalty # 1: \$1 per tonne of gold ore mined and treated; and ▪ Royalty # 2: comprising: <ul style="list-style-type: none"> ○ 4% NSR (net smelter royalty) on gold production in excess of 100,000oz; and ○ A price participation royalty of 10% on every dollar the gold price exceeds A\$600 for every ounce produced. The consideration provided to extinguish these royalties was as follows: <ul style="list-style-type: none"> ▪ Royalty # 1: issue of 1,142,588 ordinary shares at a deemed issue price of \$0.175 per share (nominal value of AUD\$200,000) (issued on 6 August 2020); and ▪ Royalty # 2: Payment of cash consideration of US\$400,000 (paid 31 August 2020).
18 September 2020	The Company announced that it had completed a capital raising to raise a total of \$11.0 million via the issue of 64.7 million fully paid ordinary shares at \$0.17 per share.
18 September 2020	The Company also announced that it would undertake a non-underwritten Share Purchase Plan (SPP) to raise up to \$3 million at an issue price of \$0.17. The SPP offer opens for acceptance on 25 September 2020.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There are no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, or the state of affairs of the Group in future financial years.

Likely developments and expected results of operations

The Group will continue its mineral exploration and development activities at the Mandilla Gold Project and will continue to evaluate opportunities to extract value from its other projects.

Environmental regulation

The Group operates within the resources sector and conducts its business activities with respect for the environment while continuing to meet the expectations of the shareholders, employees and suppliers. The Company's exploration activities are currently subject to significant environmental regulation under laws of the Commonwealth and Western Australia. The Group aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation.

As at the date of this report, the Group is not aware of any significant breaches of those environmental requirements.



Information on directors

Leigh Warnick	Non-Executive Chairman, Independent
<i>Qualifications</i>	B.A, LL.B, LL.M.
<i>Appointed</i>	23 December 2019
<i>Experience</i>	Mr Warnick is an experienced corporate and mining lawyer and a recognised expert in corporate governance. Mr Warnick was formerly a partner of the law firms now known as King & Wood Mallesons and Ashurst. Mr Warnick now practises as a barrister in Perth. Mr Warnick has 19 years' experience as a director or chairman of ASX listed companies.
<i>Interest in Shares and Options</i>	Nil.
<i>Current directorships</i>	Nil.
<i>Former directorships held in past three years</i>	Nil.
Marc Ducler	Managing Director
<i>Qualifications</i>	BSC (Metallurgy) WASM
<i>Appointed</i>	23 December 2019
<i>Experience</i>	Mr Ducler has over 20 years' experience in the mining industry. For the past 17 years, Mr Ducler has been in senior operational management roles with GoldFields, BHP, Fortescue Metals, Mineral Resources and Roy Hill. Mr Ducler's most recent role was as Managing Director of Egan Street Resources Limited (a gold exploration and near-term developer), until its successful takeover by Silver Lake Resources Limited (ASX: SLR).
<i>Interest in Shares and Options</i>	Shares – 2,500,000 Performance Rights (Incentive) – 3,661,560 Performance Rights (Long Term Incentive) – 2,382,216
<i>Current directorships</i>	Nil.
<i>Former directorships held in past three years</i>	Egan Street Resources Limited (ASX: EGA) – Managing Director



Information on directors (continued)

John Jones AM	Non-Executive Director
<i>Appointed</i>	9 February 1990
<i>Experience</i>	Mr Jones is a well-known and respected mining identity, who has been associated with a number of successful mining corporations in his 45 years of business. Mr Jones has previously been Chairman of North Kalgurli Mines, Jones Mining and Troy Resources Limited. He is currently a director of Altan Rio Minerals Limited (TSXV: AMO.H) and Altan Nevada Minerals Limited (TSXV: ANE). Mr Jones has a strong prospecting instinct, clear strategic vision and a desire for exploration, mining and corporate success. He has been a director of the Company since 1990.
<i>Interest in Shares and Options</i>	Shares – 37,102,177 Options - \$0.02 expiring 30-Nov-20 – 23,000,000 Options - \$0.025 expiring 30-Nov-20 – 4,980,000 Options - \$0.08 expiring 30-Nov-20 – 3,550,000
<i>Current directorships</i>	Troy Resources Limited – Non-Executive Director Altan Rio Minerals Limited (TSXV:AMO) – Chairman Altan Nevada Minerals Limited (TSXV:ANE) - Chairman
<i>Former directorships held in past three years</i>	Tanga Resources Limited
<hr/>	
Peter Stern	Non-Executive Director, Independent
<i>Qualifications</i>	BSc (Hons), FAICD
<i>Appointed</i>	28 November 2011
<i>Experience</i>	Mr Stern is a graduate of Monash University with a Bachelor of Science (geology major). Mr Stern's career has been in corporate advisory, spending six years with Macquarie Bank and three years with both UBS and Deutsche Bank. In 2000, Mr Stern established Metropolis Pty Ltd, a corporate advisory firm specialising in mergers and acquisitions, capital raisings and proxy contests. Mr Stern is a Fellow of the Australian Institute of Company Directors. Mr Stern is Non-Executive Chairman of Troy Resources Limited.
<i>Interest in Shares and Options</i>	Shares – 15,506,252 Options - \$0.02 expiring 30-Nov-20 – 3,000,000 Options - \$0.025 expiring 30-Nov-20 – 2,000,000 Options - \$0.08 expiring 30-Nov-20 – 1,700,000
<i>Current directorships</i>	Troy Resources Limited - Chairman (Non-Executive)
<i>Former directorships held in past three years</i>	Entek Energy Limited (ASX: ETE) – Non-executive director Altan Nevada Minerals Limited (TSXV:ANE) – Non-executive director



Information on directors (continued)

David Varcoe	Non-Executive Director, Independent
<i>Qualifications</i>	B.Eng (Mining)
<i>Appointed</i>	28 November 2019
<i>Experience</i>	Mr Varcoe is a mining engineer with more than 30 years' experience in the industry. Mr Varcoe has extensive operational and managerial experience across a number of commodities including gold, iron ore, copper, diamonds, coal, uranium and rare earths. Mr Varcoe is experienced in board positions, operations management as well as project management and consulting. Mr Varcoe is a principal consultant with leading Australian firm AMC Consulting.
<i>Interest in Shares and Options</i>	Options - \$0.135 expiring 27-Nov-22 – 3,000,000
<i>Current directorships</i>	Nil.
<i>Former directorships held in past three years</i>	Nil.

Directors' meetings

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the period are:

Director	Number of meetings director eligible to attend	Number of meetings director attended
Mr Leigh Warnick	3	3
Mr Marc Ducler	3	3
Mr John Jones	11	11
Mr Peter Stern	11	10
Mr David Varcoe	8	8
Mr Graeme Smith	8	8
Mr Andrew Barclay	3	3
Mr Matthew Hardisty	3	3
Mr David Sanders	0	0

Company secretary

Brendon Morton was appointed as Company Secretary and Chief Financial Officer on 13 January 2020, following the resignation of Graeme Smith. Mr Morton holds a Bachelor of Business Degree and is a member of both the Institute of Chartered Accountants Australia (ICAA) and the Governance Institute of Australia. Mr Morton has previously held Company Secretarial and Chief Financial Officer roles with both ASX listed and unlisted public and private companies.



Financial position

The net assets of the consolidated Group have increased to \$11,508,614 (2019: \$5,743,454). The Group's working capital, being current assets less current liabilities was \$3,201,711 at 30 June 2020 (2019: deficit of \$44,121).

Unissued shares under option

Unissued ordinary shares of Anglo Australian Resources NL under option at the date of this report are as follows:

Tranche	Grant date	Expiry date	Exercise price	Number
A	30-Nov-15	30-Nov-20	\$0.02	29,800,000
B	25-Aug-16	30-Nov-20	\$0.025	10,100,000
C	8-Dec-16	30-Nov-20	\$0.04	2,500,000
D	29-Aug-17	30-Nov-20	\$0.08	8,950,000
E	2-Dec-19	27-Nov-22	\$0.135	1,000,000
F	2-Dec-19	27-Nov-22	\$0.135	1,000,000
G	2-Dec-19	27-Nov-22	\$0.135	1,000,000
H	6-Aug-20	31-Dec-21	\$0.133	1,250,000
I	6-Aug-20	31-Dec-22	\$0.15	1,250,000
Total unlisted options on issue at the date of this report				56,850,000

Securities granted during the year

Options over ordinary shares granted during the year as share based payments are as follows:

Tranche	Class of securities	Grant date	Number of securities	Exercise price	Expiry date	Vesting date
E	Director Options	2 Dec 2019	1,000,000	\$0.135	27 Nov 2022	2 Dec 2019
F	Director Options	2 Dec 2019	1,000,000	\$0.135	27 Nov 2022	27 Nov 2020
G	Director Options	2 Dec 2019	1,000,000	\$0.135	27 Nov 2022	27 Nov 2021

Performance rights granted during the year as share based payments are as follows:

Tranche	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Disposal Restriction
A	Director performance rights	23-Jun-20	1,830,780	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	23-Jun-24	Non-transferable
B	Director performance rights	23-Jun-20	1,830,780	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	23-Jun-24	Non-transferable
C	Employee / consultant performance rights	23-Jun-20	5,340,075	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	23-Jun-24	Non-transferable
D	Employee / consultant performance rights	23-Jun-20	5,340,074	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	23-Jun-24	Non-transferable

Refer to Note 22 for details of these performance rights.



Insurance of Officers

During the year, Anglo Australian Resources NL paid a premium to insure the directors and officers of the Group. The contract of insurance prohibits disclosure of the nature of the liability insured and the amount of the premium.

Proceedings on behalf of the group

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

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

The Group appointed BDO Audit WA Pty Ltd as auditor on 2 July 2020, replacing Elderton Audit Pty Ltd.

The Group may decide to employ its auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group is important.

During the year there were no fees paid or payable for non-audit services provided by either auditor of the Group (2019: nil).

Auditor's Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the page following this Directors' Report.



Remuneration Report - Audited

The remuneration report outlines the remuneration arrangements which were in place during the year and remain in place as at the date of this report, for the Directors and key management personnel of Anglo Australian Resources NL.

The information provided in this remuneration has been audited as required by section 308(3C) of the *Corporations Act 2001*.

The remuneration report is set out under the following main headings:

- (a) Key management personnel (KMP) covered in this report
- (b) Remuneration policy and link to performance
- (c) Elements of remuneration
- (d) Link between remuneration and performance
- (e) Remuneration expenses for executive KMP
- (f) Contractual arrangements for executive KMP
- (g) Non-executive director arrangements
- (h) Other statutory information

(a) Key management personnel (KMP) covered in this report

Figure 12: Directors (executive and non-executive)

Name	Position
Mr Leigh Warnick	Chairman (from 23 December 2019)
Mr Marc Ducler	Managing Director (from 23 December 2019)
Mr John Jones	Executive Chairman (1 July 2019 to 22 December 2019) Non-Executive Director (from 23 December 2019)
Mr Peter Stern	Non-Executive Director
Mr David Varcoe	Non-Executive Director (from 28 November 2019)
Mr Graeme Smith	Non-Executive Director (to 23 December 2019)
Mr Andrew Barclay	Non-Executive Director (13 December 2019 to 23 December 2019)
Mr Matthew Hardisty	Non-Executive Director (13 December 2019 to 23 December 2019)
Mr David Sanders	Non-Executive Director (27 November 2019 to 28 November 2019)

Figure 13: Other key management personnel

Name	Position
Jed Whitford	General Manager Projects & Business Development (from 13 January 2020)
Brendon Morton	Chief Financial Officer & Company Secretary (from 24 December 2019)
Julie Reid	Geology Manager (from 2 January 2020)

(b) Remuneration policy and link to performance

The objective of the Company's remuneration structure is to reward and incentivise key management personnel and employees to ensure alignment with the interests of shareholders. The remuneration structure also seeks to reward key management personnel and employees for their contribution to the Company in a manner that is appropriate for a company at this stage of its development.

The full Board performs the function of the remuneration committee. The Board reviews and determines remuneration policy and structure annually to ensure it remains aligned to the Company's needs and meets the Company's remuneration principles. The Board, from time to time, may engage external remuneration consultants to assist with his review.

(c) Elements of remuneration

Fixed annual remuneration

Key management personnel receive their base pay and statutory benefits structured as a total fixed remuneration (TFR) package. Base pay for key management is reviewed annually to ensure the remuneration is competitive with the market and remains appropriate for the Company and its operations.

There are no guaranteed base pay increases included in any employment contracts.



Remuneration Report - Audited

Short term incentives

Any payment of short-term incentives is at the Board's absolute discretion. Due to the nature of the Company's operations and the stage of development, the Company has not paid any short-term incentives, nor has any formal short-term incentive scheme been adopted.

Long term incentives

Options

Options are issued at the Board's discretion. Other than the options disclosed in section (h) of this Remuneration Report, there were been no other options issued to employees during the year. The options issued are recognised as an expense over the vesting period.

Performance Rights

During the year, the Company issued incentive Performance Rights to key management personnel and employees. The performance rights have nil exercise prices and have an expiry date of 30 June 2024. The Performance Rights will convert to ordinary shares on satisfaction of performance criteria/vesting conditions as detailed in Note 22 to the Consolidated Financial Statements.

(d) Link between remuneration and performance

Remuneration of executives consists of an un-risked element (base pay) and long-term incentives (performance rights) which vest upon the satisfaction of performance criteria, based on key strategic, non-financial measures linked to drivers of performance in future reporting periods. The Company did not pay any short-term incentives (e.g. cash bonuses) during the year (2019: nil).

The Group's summary key performance information, including earnings and movement in shareholder wealth for the five (5) years to 30 June 2020 is included at Figure 14 below:

Figure 14: Key performance indicators

	30 June 2020	30 June 2019	30 June 2018	30 June 2017	30 June 2016
Revenue	66,178	6,309	5,491	15,431	11
Net profit/(loss) before tax	(2,710,042)	(656,006)	(920,462)	(517,148)	(393,790)
Net profit/(loss) after tax	(2,710,042)	(656,006)	(920,462)	(517,148)	(393,790)
Share price at start of year	0.064	0.092	0.040	0.012	0.010
Share price at end of year	0.140	0.064	0.092	0.040	0.012
Basic earnings/(loss) per share (cents)	(0.67)	(0.20)	(0.32)	(0.22)	(0.23)
Diluted earnings/(loss) per share (cents)	(0.67)	(0.20)	(0.32)	(0.22)	(0.23)



Remuneration Report - Audited

(e) Remuneration expenses for executive KMP

Details of the remuneration expense recognised for the Group's key management personnel during the current and previous financial year in accordance with the requirements of the accounting standards is included below at Figure 15.

Figure 15: Executive remuneration

Name	Year	Fixed remuneration			Variable remuneration			Total
		Salary	Post-employment benefits	Other ¹	Cash bonus	Rights / Options	Options	
Executive directors								
M. Ducler (from 23/12/19)	2020	117,577	10,501	-	-	2,184	-	130,262
	2019	-	-	-	-	-	-	-
J. Jones (to 23/12/19)	2020	52,635	-	40,000	-	-	-	92,635
	2019	110,000	-	-	-	-	-	110,000
Other key management personnel								
J. Whitford (from 13/01/20)	2020	92,067	8,746	-	-	2,118	-	102,931
	2019	-	-	-	-	-	-	-
B. Morton (from 24/12/19)	2020	67,825	6,443	-	-	1,947	-	76,215
	2019	-	-	-	-	-	-	-
J. Reid (from 02/01/20)	2020	80,853	7,681	-	-	1,525	-	90,059
	2019	-	-	-	-	-	-	-
Total executive director and other KMP	2020	410,957	33,371	40,000	-	7,774	-	492,102
	2019	110,000	-	-	-	-	-	110,000
Total NED remuneration (see Figure 16 below)	2020	165,887	-	30,000	-	67,046	-	262,933
	2019	100,000	-	50,000	-	-	-	150,000
Total KMP remuneration expensed	2020	576,844	33,371	70,000	-	74,820	-	755,035
	2019	210,000	-	50,000	-	-	-	260,000

¹ – Includes fees invoiced in addition to directors' fees. Fees were settled against the exercise price of options exercised during November 2019.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed remuneration 2020	Performance based remuneration 2020
Executive Directors		
M. Ducler	98%	2%
J. Jones	100%	0%
Other key management personnel		
J. Whitford	98%	2%
B. Morton	97%	3%
J. Reid	98%	2%



Remuneration Report - Audited

(f) Contractual arrangements for executive KMP

The executive remuneration framework is summarised in the table below:

Component	Managing Director	Other Key Management Personnel
Fixed remuneration	\$271,003	Range between \$197,000 and \$271,002
Short term incentive (STI)	Company may invite the employee to participate at its sole discretion	
Long term incentive (LTI)	Company may invite the employee to participate at its sole discretion	
Contract duration	Ongoing contract	Ongoing contract
Notice by the individual/company	6 months	3 months

Remuneration Report - Audited

(g) Non-executive director arrangements

Fees and payments to non-executive Directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the board taking into account comparable roles and market data. The Chair's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market.

Non-executive Directors do not receive performance-based pay.

Non-executive Directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at \$300,000 per annum and was approved by shareholders at the Annual General Meeting held 27 November 2017.

Additional fees

A director may also be paid fees or other amounts as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

A director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Post-employment benefits

Superannuation contributions required under the Australian Superannuation Guarantee Legislation continue to be made and are deducted from the directors' overall fee entitlements, where applicable.

The following non-executive director fees applied during the period:

Base Fees	23 Dec 2019 to 30 June 2020 \$	1 July 2019 to 22 Dec 2019 \$	1 July 2018 to 30 June 2019 \$
Non-executive chair	70,000	-	-
Non-executive directors	50,000	50,000	50,000



Remuneration Report - Audited

Figure 16: Non-executive director remuneration

Name	Year	Base fees	Post-employment benefits	Options	Additional fees ¹	Total
L. Warnick (from 23/12/19)	2020	36,720	-	-	-	36,720
	2019	-	-	-	-	-
P. Stern	2020	50,000	-	-	30,000	80,000
	2019	50,000	-	-	50,000	100,000
D. Varcoe (from 27/11/19)	2020	29,167	-	67,046	-	96,213
	2019	-	-	-	-	-
J. Jones (from 23/12/19)	2020	26,075	-	-	-	26,075
	2019	-	-	-	-	-
G. Smith (to 23/12/19)	2020	23,925	-	-	-	23,925
	2019	50,000	-	-	-	50,000
Total non-executive director remuneration	2020	165,887	-	67,046	30,000	262,933
	2019	100,000	-	-	50,000	150,000

¹ – Includes fees invoiced in addition to directors' fees. Fees were settled against the exercise price of options exercised during November 2019.

Other non-executive directors, David Sanders, Matthew Hardisty and Andrew Barclay did not receive any remuneration for the year (2019: nil).

(h) Other statutory information

(i) Terms and conditions of the share-based payment arrangements

Options

The terms and conditions of each grant of unquoted options granted during the year are as follows:

Tranche	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Vesting Date
A	Director Options	02-Dec-19	1,000,000	\$0.135	27 Nov 2022	Immediate
B	Director Options	02-Dec-19	1,000,000	\$0.135	27 Nov 2022	27 Nov 2020
C	Director Options	02-Dec-19	1,000,000	\$0.135	27 Nov 2022	27 Nov 2021

In order for the Director Options to vest, the Director must remain a director as at the Vesting Date.

The Options were valued using a Black Scholes Model with the following inputs:

Tranche	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Options (\$)	Total Value (\$)
A	02-Dec-19	80%	0.70%	27 Nov 2022	\$0.088	0.0359	35,909
B	02-Dec-19	80%	0.70%	27 Nov 2022	\$0.088	0.0359	35,909
C	02-Dec-19	80%	0.70%	27 Nov 2022	\$0.088	0.0359	35,909

Subject to the Board's discretion, options shall be cancelled for nil consideration where the recipient ceases to hold employment or office with the Company.



Remuneration Report - Audited

Performance Rights

The terms and conditions of performance rights granted during the year as share based payments are as follows:

Tranche	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Disposal Restriction
A	Director performance rights	16-Jun-20	1,830,780	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	23-Jun-24	Non-transferable
B	Director performance rights	16-Jun-20	1,830,780	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	23-Jun-24	Non-transferable
C	Employee / consultant performance rights	23-Jun-20	3,904,987	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	23-Jun-24	Non-transferable
D	Employee / consultant performance rights	23-Jun-20	3,904,986	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	23-Jun-24	Non-transferable

The performance rights shall vest on the later date to occur of:

- a) on which the milestones shown in the table below are met; and

Tranches	Performance / Vesting Condition and Performance Period	Extent to which Performance Rights vest
A,C	Automatically vest upon the Company announcing a JORC compliant Mineral Resource of at least 500,000 ounces.	100%
B,D	Automatically vest upon the Company announcing a JORC compliant Mineral Resource of at least 1,000,000 ounces.	100%

- b) the date that the holder gives a notice to the Company confirming that the holder would like the Performance Rights to vest.

The performance rights issued are subject to non-market vesting conditions. The performance rights were valued based upon the share price at the deemed grant date.

Tranche	Grant Date	Number of Instruments	Valuation at grant date
A	16-Jun-20	1,830,780	\$0.125
B	16-Jun-20	1,830,780	\$0.125
C	23-Jun-20	3,904,987	\$0.15
D	23-Jun-20	3,904,986	\$0.15



Remuneration Report - Audited

(ii) Reconciliation of options, deferred shares and ordinary shares held by KMP

The number of options over ordinary shares in the Group held during the period by each Director of Anglo Australian Resources NL and other key management personnel of the Group, including their personally related parties, are set out below.

Figure 17: Option holdings

Name	Balance at the start of the year	Granted as compensation	Vested		Exercised	Exercise price per option	Other changes	Balance at the end of the year	
	Vested		Number	%				Vested and exercisable	Unvested
J. Jones	45,230,000	-	-	-	(13,700,000)	\$0.02	-	31,530,000	-
P. Stern	11,800,000	-	-	-	(5,100,000)	\$0.02	-	6,700,000	-
G. Smith	10,700,000	-	-	-	(3,200,000)	\$0.02	(7,500,000)	-	-
D. Varcoe	-	3,000,000	1,000,000	33%	-	-	-	1,000,000	2,000,000
Total	67,730,000	3,000,000	1,000,000		(22,000,000)	\$0.02	(7,500,000)	39,230,000	2,000,000

The numbers of shares in the Group held during the period by each Director of Anglo Australian Resources NL and other key management personnel of the Group, including their personally related parties are set out below. There were no shares granted during the reporting period as compensation.

Figure 18: Shareholdings

Name	Balance at the start of the year	Balance at appointment/ (resignation date)	Capital Raising shares subscribed for	Shares issued upon exercise of options	Other changes	Balance at the end of the year
Directors						
Mr Leigh Warnick	-	-	-	-	-	-
Mr Marc Ducler	-	-	2,500,000	-	-	2,500,000
Mr John Jones	24,752,177	-	-	13,700,000	(1,350,000)	37,102,177
Mr Peter Stern	9,706,252	-	-	5,100,000	700,000	15,506,252
Mr David Varcoe	-	-	-	-	-	-
Mr Graeme Smith	5,082,999	(8,282,999)	-	3,200,000	-	-
Other key management personnel						
Mr Jed Whitford	-	-	100,000	-	-	100,000
Mr Brendon Morton	-	-	300,000	-	10,000	310,000
Ms Julie Reid	-	-	100,000	-	-	100,000
Total	39,541,428	(8,282,999)	3,000,000	22,000,000	(640,000)	55,618,429

There were no shares subject to escrow at 30 June 2020.

The number of performance rights over ordinary shares in the Group held during the period by each Director of Anglo Australian Resources NL and other key management personnel of the Group, including their personally related parties, are set out below.

Figure 19: Performance Rights

Name	Balance at the start of the year	Granted as compensation	Exercised/ Expired	Balance at appointment/ (resignation date)	Balance at end of the year	Vested and exercisable	Un-vested
Directors							
Mr Marc Ducler	-	3,661,560	-	-	3,661,560	-	3,661,560
Other key management personnel							
Mr Jed Whitford	-	2,958,988	-	-	2,958,988	-	2,958,988
Mr Brendon Morton	-	2,720,589	-	-	2,720,589	-	2,720,589
Ms Julie Reid	-	2,130,440	-	-	2,130,440	-	2,130,440
Total	-	11,471,577	-	-	11,471,577	-	11,471,577



Remuneration Report - Audited

(iii) **Key Management Personnel Loans**

During the year, the Company incurred expenditure on behalf of director, Mr John Jones totalling \$30,347. By agreement between the Company and Mr Jones, the amount was fully extinguished by being offset against directors' fees owing to Mr. Jones at 30 June 2020.

There were no loans to or from key management personnel outstanding as at 30 June 2020 (2019: nil).

(iv) **Other transactions with key management personnel**

Westbury Management Services Pty Ltd, a company of which John Jones is a Director, received \$940.92 excluding GST (2019: \$612.12) during the year for storage services. These services were provided on normal commercial terms and at arm's length. As at 30 June 2020, \$0 (2019: \$0) remained outstanding.

Metropolis Pty Ltd, a company of which Peter Stern is a Director, received \$105,000 excluding GST (2019: \$0) during the year of which \$50,000 related to non-executive director fees (2019: \$50,000), \$30,000 related to invoices raised for additional services (2019: \$50,000) and \$25,000 related to accrued directors' fees owing at 30 June 2019. The additional services were provided on normal commercial terms and at arm's length. As at 30 June 2020, \$0 (2019: \$25,000) remained outstanding. Consideration of \$80,000 was deployed to exercise 4,000,000 \$0.02 options expiring 30 November 2019.

Wembley Corporate Pty Ltd, a company of which Graeme Smith is a Director, received \$85,143 excluding GST (2019: \$45,700) during the year for directors' fees, company secretarial and accounting services. These services were provided on normal commercial terms and at arm's length. As at 30 June 2020, \$0 (2019: \$0) remained outstanding. Consideration of \$23,638 was deployed to exercise 1,181,940 \$0.02 options expiring 30 November 2019, with the balance of the consideration paid in cash.

Andrew Barclay & Associates, an entity associated with Andrew Barclay, received \$60,270 excluding GST during the year for legal services provided to the Company. These services were provided on normal commercial terms and at arm's length. As at 30 June 2020, \$0 remained outstanding.

Bennett + Co, an entity associated with David Sanders, received \$244,807 excluding GST during the year for legal services provided to the Company. These services were provided on normal commercial terms and at arm's length. As at 30 June 2020, \$0 remained outstanding.

Tanga Resources Limited, a company of which Graeme Smith is an officer, paid \$28,605 excluding GST (2019: \$50,334) to the Company during the year for rent, carpark and outgoings at 63 Hay Street, Subiaco. These services were provided to Tanga Resources Limited on normal commercial terms and at arm's length. As at 30 June 2020, \$0 (2019: \$0) remained outstanding.

Settlement Agreement

By notice dated 29 October 2019, Braham Investments Pty Ltd (ACN 092 139 403) requisitioned a meeting of the Company's shareholders, which was to be held on 20 December 2019 (or an adjourned date) (the **Requisitioned Meeting**). On 28 November 2019, Anglo Australian commenced proceeding number COR 232 of 2019 in the Supreme Court of Western Australia (**Proceeding**) against a number of the Company's shareholders.

On 23 December 2019, the Company announced that it had entered into a Settlement Agreement with the parties involved in the Requisitioned Meeting and Proceeding (together, the **Settlement Agreement Parties**). Under the terms of the Settlement Agreement, the Settlement Agreement Parties agreed to fully and finally settle the Proceeding and all possible disputes arising out of or in connection with the Proceeding or the Requisitioned Meeting, subject to a number of terms, one of which involved the Company settling defendants' costs of \$453,250, via a combination of cash (\$16,500) and equity (\$436,750). In accordance with the terms of the Settlement Agreement, on 2 March 2020, 4,367,500 fully paid ordinary shares were issued to the Settlement Agreement Parties at a deemed issued price of \$0.10 per share.

Amounts paid to the Settlement Agreement Parties included the following related party transactions:

- \$10,000 was paid to Peter Stern on 22 January 2020; and
- 700,000 fully paid ordinary shares were issued to Peter Stern on 2 March 2020, at a deemed issue price of \$0.10 per share.

(v) **Remuneration consultants**

The Remuneration Committee may, from time to time, engage independent remuneration consultants to assist with the review of the Company's remuneration policy and structure to ensure it remains aligned to the Company's needs and meets the Company's remuneration principles.

The Company engaged an external human resource consultant during the year, which included advice with respect to remuneration.



Remuneration Report - Audited

(vi) ***Voting of shareholders at the Company's 2019 Annual General Meeting***

The Company received more than 98% of "yes" votes on its remuneration report for the 2019 financial year. The Company did not receive any specific feedback at the Annual General Meeting or throughout the year on its remuneration practices.

This is the end of the Remuneration Report.

This report of Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of Directors.

Marc Ducler
Managing Director

Perth, Western Australia
25 September 2020

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF ANGLO AUSTRALIAN RESOURCES NL

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

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

This declaration is in respect of Anglo Australian Resources and the entities it controlled during the period.



Dean Just

Partner

BDO Audit (WA) Pty Ltd

Perth, 25 September 2020

INDEPENDENT AUDITOR'S REPORT

To the members of Anglo Australian Resources NL

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Anglo Australian Resources NL (the Company) and its subsidiaries (the Group), which comprises the consolidated balance sheet as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

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

Basis for opinion

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

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

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

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.

Accounting for Share Based Payments

Key audit matter	How the matter was addressed in our audit
<p>During the financial year ended 30 June 2020, the Group issued options, shares and performance rights to key management personnel and other stakeholders.</p> <p>Refer to Note 1(u) of the financial report for a description of the accounting policy and significant estimates and judgements applied to these arrangements and Note 22 of the financial report for disclosure of the arrangements.</p> <p>Share-based payments are a complex accounting area and due to the complex and judgemental estimates used in determining the fair value of the share-based payments in accordance with AASB 2 Share Based Payment, we consider the Group's calculation of the share-based payments expense to be a key audit matter.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Reviewing market announcements and board minutes to identify new share-based payments granted during the year have been accounted for; • Reviewing the relevant supporting documentation to obtain an understanding of the contractual nature and terms and conditions of the share-based payments arrangements; • Evaluating management's methodology for calculating the fair value of the share-based payments, including assessing the valuation inputs using internal specialists where required; • Recalculating estimated fair value of the share based payments using relevant valuation methodologies; • Assessing the allocation of the share-based payment expense over management's expected vesting period; • Assessing management's determination of achieving milestones; and • Assessing the adequacy of the related disclosures in Notes 1(u) and 22 of the financial report.

Recoverability of Exploration and Evaluation Expenditure

Key audit matter	How the matter was addressed in our audit
<p>At 30 June 2020 the Group held a significant carrying value of capitalised exploration and evaluation expenditure as disclosed in Note 12.</p> <p>As the carrying value of these exploration and evaluation assets represent a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount.</p> <p>Judgement is applied in determining the treatment of exploration expenditure in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources. In particular:</p> <ul style="list-style-type: none"> • Whether the conditions for capitalisation are satisfied; • Which elements of exploration and evaluation expenditures qualify for recognition; and • Whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment. 	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in respective areas of interest by holding discussions with management, and reviewed the Group's exploration budgets, ASX announcements and director's minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 1(m) and 12.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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.

Other matter

The financial report of Anglo Australian Resources NL, for the year ended 30 June 2019 was audited by another auditor who expressed an unmodified opinion on that report on 30 September 2019.



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 group 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 Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

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

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

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 28 to 36 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Anglo Australian Resources NL, for the year ended 30 June 2020, 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.

BDO Audit (WA) Pty Ltd

Dean Just

Director

Perth, 25 September 2020



Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Revenue from continuing operations			
Other income	4	66,178	6,309
Share based payment expense		(76,874)	(32,000)
Consultants and advisors	5	(1,013,816)	(76,202)
Corporate costs	5	(416,023)	(323,428)
Depreciation and amortisation expense		(72,951)	(4,765)
Employee benefit expense	5	(319,562)	(14,400)
Exploration expenditure not capitalised		(61,842)	-
General and administrative expenses		(234,097)	(94,208)
Impairment expense	12	(457,480)	21,802
Interest expense		(4,946)	(37)
Loss on financial liabilities settled via equity		(108,881)	-
Occupancy costs		(9,748)	(95,474)
Loss before income tax		(2,710,042)	(656,006)
Income tax expense	6	-	-
Net loss for the year		(2,710,042)	(656,006)
Other comprehensive income			
Items that may be reclassified to profit or loss		-	-
Exchange differences on translation of foreign operations		-	-
Other comprehensive loss for the year, net of tax		-	-
Total comprehensive loss for the year		(2,710,042)	(656,006)
Total comprehensive loss attributable to equity holders of the Company		(2,710,042)	(656,006)
Loss per share attributable to ordinary equity holders			
Basic loss per share (cents per share)	7	(0.67)	(0.20)
Diluted loss per share (cents per share)	7	(0.67)	(0.20)

The above consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.



Consolidated Balance Sheet

As at 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	3,401,903	448,919
Trade and other receivables	10	307,919	159,183
Total current assets		3,709,822	608,102
Non-current assets			
Property, plant and equipment	11	60,002	-
Exploration and evaluation expenditure	12	8,281,952	5,873,285
Right of use assets	13	101,494	-
Total non-current assets		8,443,448	5,873,285
TOTAL ASSETS		12,153,270	6,481,387
LIABILITIES			
Current liabilities			
Trade and other payables	14	407,119	646,654
Employee benefits	15	62,627	5,569
Lease liabilities	16	57,365	-
Total current liabilities		527,111	652,223
Non-current liabilities			
Lease liabilities	16	46,705	-
Provisions	17	89,840	85,710
Total non-current liabilities		136,545	85,710
TOTAL LIABILITIES		663,656	737,933
NET ASSETS		11,489,614	5,743,454
EQUITY			
Issued capital	18	43,575,908	35,292,993
Reserves	19	1,089,936	916,649
Accumulated losses		(33,176,230)	(30,466,188)
TOTAL EQUITY		11,489,614	5,743,454

The above consolidated statement of financial position is to be read in conjunction with the accompanying notes.



Consolidated Statement of Cash Flows

For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from customers		(22,178)	(496,905)
Payments to suppliers and employees		(1,251,798)	-
Net cash flows used in operating activities	20	(1,273,976)	(496,905)
Cash flows from investing activities			
Exploration and evaluation expenditure		(2,913,091)	(1,789,065)
Payments for property, plant and equipment		(62,259)	(4,765)
Interest received		3,678	6,309
Net cash flows used in investing activities		(2,971,672)	(1,787,521)
Cash flows from financing activities			
Proceeds from issue of shares and options		7,528,906	1,220,801
Interest paid		(311)	-
Repayment of principal portion of lease liabilities		(72,754)	-
Capital raising costs		(257,209)	(111,241)
Net cash flows from financing activities		7,198,632	1,109,560
Net increase/(decrease) in cash and cash equivalents		2,952,984	(1,174,866)
Cash and cash equivalents at beginning of the year		448,919	1,623,785
Cash and cash equivalents at end of the year	9	3,401,903	448,919

The above consolidated statement of cash flows is to be read in conjunction with the accompanying notes.



Consolidated Statement of Changes in Equity

For the year ended 30 June 2020

	Issued capital \$	Share-based payment reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2018	33,951,434	916,649	(29,810,182)	5,057,901
Loss for the year	-	-	(656,006)	(656,006)
Total comprehensive loss for the year	-	-	(656,006)	(656,006)
<i>Transactions with owners, directly recorded in equity:</i>				
Issue of ordinary shares (net of costs)	1,341,559	-	-	1,341,559
Issue/vesting of options	-	-	-	-
Balance at 30 June 2019	35,292,993	916,649	(30,466,188)	5,743,454

	Issued capital \$	Share-based payment reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2019	35,292,993	916,649	(30,466,188)	5,743,454
Loss for the year	-	-	(2,710,042)	(2,710,042)
Total comprehensive loss for the year	-	-	(2,710,042)	(2,710,042)
<i>Transactions with owners, directly recorded in equity:</i>				
Issue of ordinary shares (net of costs)	8,282,915	-	-	8,282,915
Issue/vesting of performance rights	-	9,828	-	9,828
Issue/vesting of options	-	163,459	-	163,459
Balance at 30 June 2020	43,575,908	1,089,936	(33,176,230)	11,489,614

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.



Notes to the Consolidated Financial Statements

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated. These financial statements are for the consolidated Group consisting of Anglo Australian Resources NL and its subsidiaries, together referred to as Anglo or the Group.

(a) New or amended Accounting Standards and Interpretations adopted

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

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

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 16 Leases

The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption of AASB16 was not material to the financial statements.

When adopting AASB 16 from 1 July 2019, the Group has applied the following practical expedients:

- Applying a single discount rate to the portfolio of leases with reasonably similar characteristics;
- Accounting for leases with a remaining lease term of 12 months as at 1 July 2019 as short-term leases;
- Excluding any initial direct costs from the measurement of right-of-use assets;
- Using hindsight in determining the lease term when the contract contains options to extend or terminate the lease; and
- Not apply AASB 16 to contracts that were not previously identified as containing a lease.

(b) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001 (Cth).

Anglo Australian Resources NL is a listed public company, incorporated and domiciled in Australia. Anglo Australian Resources NL is a for-profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

An individual entity is no longer presented as the consequence of a change to the Corporations Act 2001. Financial information for Anglo Australian Resources NL as an individual entity is included in Note 29.

(c) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Anglo Australian Resources NL ("the Company" or "the Parent Entity") as at 30 June 2020 and the results of all subsidiaries for the period then ended. Anglo Australian Resources NL and its subsidiaries together are referred to in this financial report as "the Group" or "the consolidated entity".



Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, intercompany balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction proves evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity, and Consolidated Balance Sheet respectively.

(d) Going concern

This financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

As at 30 June 2020, the Group had cash and cash equivalents of \$3,401,903 and had net working capital of \$3,182,711. The Group incurred a loss for the year ended 30 June 2020 of \$2,710,042 (30 June 2019: \$656,006) and net cash outflows used in operating activities and investing activities totalling \$4,245,648 (30 June 2019: \$2,284,426).

On 18 September 2020, the Company announced that it had raised \$11 million via the issue of approximately 64.7 million fully paid ordinary shares at \$0.17 per share (the **Placement**). Proceeds from the placement (net of costs) have been received and fully paid ordinary shares have been issued as at the date of this report.

On 18 September 2020, the Company also announced that it would undertake a non-underwritten Share Purchase Plan (SPP) to raise up to \$3 million at an issue price of \$0.17. The SPP offer opens for acceptance on 25 September 2020. No proceeds from the SPP have been collected as at the date of this report.

The Company has a total of 51,350,000 unlisted options on issue expiring on 30 November 2020 with various exercise prices ranging from \$0.02 to \$0.08. Assuming that all options expiring on 30 November 2020 are exercised, the Company will receive proceeds of \$1,664,500.

On the basis of the above, the directors believe that, as at the date of this report, there will be sufficient funds available to meet the Group's working capital requirements.

(e) Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM are responsible for the allocation of resources to operating segments and assessing their performance.

(f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

(g) Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

(h) Income tax

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



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

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

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

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

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Anglo Australian Resources NL (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

(i) Current and non-current classification

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

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

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

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

(j) Cash and cash equivalents

For cashflow statement presentation, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in rate and bank overdrafts.

(k) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.



(l) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

- Vehicles: 5 - 8 years
- Furniture, fittings and equipment: 3 - 8 years
- Field equipment: 3 - 8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(m) Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

(n) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(o) Impairment of assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(p) Trade and other payables

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

(q) Contributed equity

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Where any Group company purchases the Company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of Anglo Australian Resources NL as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of Anglo Australian Resources NL.



(r) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(s) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

(t) Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

(u) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liabilities for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to eligible employees. Equity-settled transactions are awards of performance rights or options over shares, that are provided to employees in exchange for the rendering of services. The cost of equity-settled transactions are measured at fair value on grant date.

(i) Options

The fair values of options are independently determined using either the Binomial or Black-Scholes option pricing models. The calculation of fair value for options takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

(ii) Performance rights

The fair value of performance rights with market-based performance and vesting criteria are independently determined using the Hoadleys Hybrid ESO Model (a Monte Carlo simulation model). The calculation of fair value for rights takes into account the term of the right, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the right, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. An exercise multiple is applied based on a Hull-White Model which is considered the de facto



standard for IFRS 2 and FASB 123R compliant employee share option valuations. No account is taken of any other vesting conditions.

The fair value of performance rights granted to employees for nil consideration under the Employee Incentive Plan is recognised as an expense over the relevant service period, being the vesting period of the performance rights. The fair value is measured at the grant date of the performance rights and is recognised in equity in the share-based payment reserve.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification had not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If an equity-settled award is cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the new award is treated as a modification of the cancelled award.

(v) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either in the principal market, or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(w) Issued capital

Ordinary shares are classified as equity.

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

(x) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Anglo Australian Resources NL, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share



Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(y) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the Consolidated Statement of Cash Flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

(z) Parent entity information

The financial information for the parent entity, Anglo Australian Resources NL, disclosed in Note 29 has been prepared on the same basis as the consolidated financial statements.

(aa) Standards and Interpretations in use not yet adopted

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

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Group has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Group may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the Group's financial statements.

AASB 2018-6 Amendments to Australian Accounting Standards - Definition of a Business

The amendment is applicable to annual reporting periods beginning on or after 1 January 2020 and clarifies the definition of a 'business' in AASB 3 to assist in determining whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendment will apply prospectively to acquisitions occurring on or after the beginning of the first applicable annual reporting period.

AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current

There are four main changes to the classification requirements:

- 1) The requirement for an 'unconditional' right has been deleted from paragraph 69(d) because covenants in banking agreements would rarely result in unconditional rights;
- 2) The right to defer settlement must exist at the end of the reporting period. If the right to defer settlement is dependent upon the entity complying with specified conditions (covenants), the right to defer only exists at reporting date if the entity complies with those conditions at reporting date;
- 3) Classification is based on the right to defer settlement, and not intention (paragraph 73); and
- 4) If a liability could be settled by an entity transferring its own equity instruments prior to maturity (e.g. a convertible bond), classification is determined without considering the possibility of earlier settlement by conversion to equity, but only if the conversion feature is classified as equity under IAS 32.

As these amendments only apply for the first time to the 30 June 2023 balance sheet (and 30 June 2022 comparative balance sheet), the entity is not yet able to make an assessment of the impacts regarding the right to defer settlement, compliance with bank covenants, and intention to settle.

Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions

Introduces a practical expedient that permits lessees not to assess whether a rent concession that occurs as a direct consequence of the COVID-19 pandemic is a lease modification, provided all of the following criteria are met:

- Change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately prior to the change;
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (for example, a concession would meet this condition if it resulted in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
- There is no substantive change to other terms and conditions of the lease.



In such cases, the concessions are accounted for as if they were not a lease modification.

On first time adoption for the year ended 30 June 2021, the cumulative effect of initially applying the amendment will be recognised as an adjustment to opening balances of retained earnings on 1 July 2020.

2. Critical accounting estimates and judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

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

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Hoadleys Hybrid ESO Model (a Monte-Carlo simulation model) or Black-Scholes models (as the case may be), taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Where performance rights are subject to vesting conditions, Management has formed judgments around the likelihood of vesting conditions being met. Expenses recognised during the year have been calculated accordingly. Refer to Note 22 for further information.

Exploration and evaluation costs

Exploration and evaluation expenditures are those expenditures incurred in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Expenditure incurred on activities that precede exploration and evaluation of mineral resources, including all expenditure incurred prior to securing legal rights to explore an area, is expensed as incurred.

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. An 'area of interest' is an individual geological area which is considered to constitute a favourable environment for the presence of a mineral deposit or has been proved to contain such a deposit. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- Such costs are expected to be recouped through successful development and exploitation or from sale of the area; and
- Exploration and evaluation activities in the area have not, at balance date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable resources, and active and significant operations in, or relating to, this area are continuing.

A regular review is undertaken in each area of interest to determine the appropriateness of continuing to carry forward costs in relation to each area of interest. If costs do not meet the criteria noted above, they are written off in full against the profit or loss statement.

Impairment of exploration and evaluation assets

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Exploration and evaluation assets are tested for impairment when any of the following facts and circumstances exists:

- The term of the exploration licence in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration and evaluation of mineral resources in the specific area of interest is not budgeted or planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resource and the decision has been made to discontinue such activities in the specific area; or



- Sufficient data exists to indicate that, although development in the specific area of interest is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

When a potential impairment is indicated, an assessment is performed for each cash generating unit which is no larger than the area of interest.

Recovery of deferred tax assets

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

Employee benefits provision

As discussed in Note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Rehabilitation provision

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

3. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors. The Group has determined that it has one operating segment, being mineral exploration and development.

4. Other income

	2020 \$	2019 \$
Bank interest	3,678	6,309
Government grant income	62,500	-
	66,178	6,309

Government grant income relates to the ATO cash boost stimulus measure introduced during the COVID-19 pandemic.

5. Expenses

Profit/(Loss) before income tax for the year includes the following specific items:

	2020 \$	2019 \$
<i>Employee benefit expense</i>		
Employee expenses (including employment related expenses)	462,926	13,151
Superannuation	42,527	1,249
	505,453	14,400
Capitalised as exploration and evaluation expenditure	(185,891)	-
Total employee benefits expense	319,562	14,400
<i>Consultants and advisors</i>		
Accounting and secretarial	97,310	51,229
Legal	795,812	24,973
Other	120,694	-
Total consultant and advisor costs	1,013,816	76,202
<i>Corporate costs</i>		
Compliance costs	65,134	53,690
Directors' fees	285,822	260,000
Share registry costs	65,067	9,738
Total corporate costs	416,023	323,428



6. Income tax

	2020 \$	2019 \$
a) <u>Components of income tax expense</u>		
Current tax expense	-	-
Deferred tax expense	-	-
	-	-
b) <u>Prima facie tax payable</u>		
Loss before income tax	(2,710,042)	(656,006)
Prima facie income tax at 30.0% (2019: 30.0%)	(813,013)	(196,802)
Tax effect of amounts not deductible in calculating taxable income		
- Entertainment	576	1,060
- Other non-deductible expenses	135,975	3,392
- Share-based payments	55,727	9,600
- Non-assessable income	(18,750)	-
- Tax losses not recognised	639,485	182,750
Income tax expense/(benefit) attributable to loss	-	-
c) <u>Current tax liability</u>		
Current tax relates to the following:		
<i>Current tax liabilities / (assets)</i>		
Opening balance	-	-
Income tax	-	-
Instalments paid	-	-
	-	-
d) <u>Deferred Tax</u>		
Deferred tax relates to the following:		
<i>Deferred Tax Assets balance comprises:</i>		
Plant and equipment under lease	31,221	-
Accruals	25,497	15,671
Provisions – annual and long service leave	9,877	-
Capital raising costs	61,730	-
Business related costs	219,452	61,333
Tax losses	9,471,933	8,283,242
Offset against Deferred Tax Liabilities / Non-recognition	(9,819,710)	8,360,246
	-	-
<i>Deferred Tax Liabilities balance comprises:</i>		
Prepayments	-	(3,292)
Exploration assets	(2,451,934)	(1,736,273)
Offset against Deferred Tax Assets	2,451,934	1,739,565
	-	-
Net Deferred Tax	-	-
e) <u>Deferred income tax (revenue)/expense included in income tax expenses comprises:</u>		
Decrease / (increase) in deferred tax assets	(1,459,465)	(824,198)
(Decrease) / increase in deferred tax liabilities	742,817	601,025
Non-recognition of deferred tax assets	716,648	223,173
	-	-
f) <u>Deferred income tax related to items charged or credited directly to equity</u>		
Decrease / (increase) in deferred tax assets	77,163	-
(Decrease) / increase in deferred tax liabilities	-	-
Non-recognition of deferred tax assets	(77,163)	-
	-	-
g) <u>Deferred tax assets not brought to account</u>		
Temporary differences	(2,134,605)	(1,662,561)
Operating tax losses	9,471,933	8,283,242
	7,337,329	6,620,681



7. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit/(loss) for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

	2020 Cents	2019 Cents
Basic and diluted profit/(loss) per share		
Basic profit/(loss) per share (cents per share)	(67)	(20)
Diluted profit/(loss) per share (cents per share)	(67)	(20)
	2020	2019
Profit/(Loss)	\$	\$
<i>Profit/(loss) used in the calculation of basic and diluted earnings per share is as follows:</i>		
Profit/(loss)	(2,710,042)	(656,006)
Loss from continuing operations	(2,710,042)	(656,006)
	2020	2019
Weighted average number of ordinary shares	No.	No.
Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS	406,063,700	328,594,446
Weighted average number of ordinary shares outstanding during the period used in calculating diluted EPS	406,063,700	328,594,446

8. Dividends paid or proposed

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

9. Cash and cash equivalents

	2020 \$	2019 \$
Current		
Cash at bank and in hand	3,401,903	448,919

Cash at bank and in hand earns interest at both floating rates based on daily bank rates and fixed rate term deposits. The Company notes that \$51,365 (included in the Cash at bank and in hand amount) is held as guarantees with Westpac Bank subject to the following lease agreements:

- \$38,000 held as a bank guarantee for the Company's previous lease agreement at its former premises at 63 Hay Street, Subiaco (returned 21 September 2020); and
- \$13,365 held as a bank guarantee for the Company's sub-lease agreement at its premises at Suite 2, 6 Lyall Street, South Perth.

Refer to Note 21 on financial instruments for details on the Company's exposure to risk in respect of its cash balance.



10. Trade and other receivables

	2020 \$	2019 \$
Current		
Trade debtors	162,500	67,192
Rental deposits	11,223	-
GST receivable	125,931	81,017
Prepayments	8,265	10,974
	307,919	159,183

The Group did not have any receivables that were past due as at 30 June 2020 (30 June 2019: Nil). The Group therefore did not consider a credit risk on the aggregate balances as at 30 June 2020. For more information, please refer to Note 21.

11. Property, plant and equipment

	2020 \$	2019 \$
Motor vehicles – at cost	52,596	-
Less: Accumulated depreciation	(2,074)	-
	50,522	-
Plant and equipment – at cost	9,662	1,380
Less: Accumulated depreciation	(182)	(1,380)
	9,480	-
Office furniture and fittings – at cost	-	14,776
Accumulated depreciation	-	(14,776)
	-	-
Total	60,002	-

	Motor Vehicles \$	Plant and equipment \$	Office furniture and fittings \$	Total \$
As at 1 July 2018	-	-	-	-
Additions	-	-	4,765	4,765
Depreciation	-	-	(4,765)	(4,765)
Write off	-	-	-	-
As at 30 June 2019	-	-	-	-
As at 1 July 2019	-	-	-	-
Additions	52,597	9,662	-	62,259
Depreciation	(2,075)	(182)	-	(2,257)
Write off	-	-	-	-
As at 30 June 2020	50,522	9,480	-	60,002



12. Exploration and evaluation expenditure

	2020 \$	2019 \$
Non-Current		
Exploration and evaluation - at cost	8,281,952	5,873,285

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	2020 \$	2019 \$
Movement		
Opening balance	5,873,285	3,871,182
Exploration expenditure capitalised during the year	2,962,017	2,003,415
Impairment expense	(457,480)	(21,802)
Revaluation of rehabilitation provision	4,130	20,490
Deposit – Koongie Park Farm-Out Transaction	(100,000)	-
Closing balance	8,281,952	5,873,285
Comprised of:		
Feysville Project	3,357,957	3,405,893
Koongie Park Project	1,646,689	1,571,794
Leonora Project	-	217,205
Mandilla Project	3,277,306	678,393
	8,281,952	5,873,285
Impairment		
Feysville Project	(230,966)	(16,742)
Koongie Park Project	(1,791)	(4,979)
Leonora Project	(224,723)	(81)
Mandilla Project	-	-
	(457,480)	(21,802)

During the year, the Company assessed the carrying amount versus the recoverable amount of the areas of interest above. On the basis that a number of tenements had been relinquished and/or there is no substantive expenditure budgeted or planned, the Company recorded an impairment charge of \$457,480 (2019: \$21,802).

The Group's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

13. Non-current assets – right-of-use assets

The Group leases land and buildings for its offices and regional operating bases, with lease agreements between one to five years with, in some cases, options to extend.

	2020 \$	2019 \$
Land and buildings		
Opening balance – 1 July 2019	-	-
Additions to right-of-use assets	172,188	-
Depreciation charge for the year	(70,694)	-
Closing balance – 30 June 2020	101,494	-



14. Trade and other payables

	2020 \$	2019 \$
Current		
Trade payables	316,411	595,666
Accrued directors' fees	12,500	50,988
Other payables and accruals	78,208	-
	<u>407,119</u>	<u>646,654</u>

All amounts are expected to be settled within 12 months.

15. Employee benefits

	2020 \$	2019 \$
Current		
Provision for annual leave	32,922	-
PAYG Withholding	26,701	4,320
Superannuation payable	3,004	1,249
	<u>62,627</u>	<u>5,569</u>

16. Lease liabilities

	2020 \$	2019 \$
Current		
Lease liability	57,365	-
Non-current		
Lease liability	46,705	-
	<u>104,070</u>	<u>-</u>

17. Provision for rehabilitation

A provision has been made to cover the costs of rehabilitating the Company's areas of interest. It is not expected that this will be required in the next 12 months.

	2020 \$	2019 \$
Non-current		
Feysville	28,400	23,890
Koongie Park	33,240	32,640
Mandilla	28,200	29,180
	<u>89,840</u>	<u>85,710</u>

18. Issued capital

	2020 Shares	2019 Shares	2020 \$	2019 \$
Ordinary shares – fully paid	466,786,162	348,744,053	43,575,908	35,292,993



(i) Movements in ordinary share capital

Date	Details	No. of Shares	Issue Price	\$
30-Jun-18	Balance	317,864,054	-	33,951,434
30-Jun-19	Balance	348,744,053	-	35,292,993
26-Jul-19	Issue*	802,950	\$0.059	47,374
12-Aug-19	Issue*	8,230,692	\$0.064	530,349
30-Aug-19	Placement*	12,814,418	\$0.065	832,937
27-Sep-19	Issue*	2,211,921	\$0.069	153,313
27-Sep-19	Exercise of options	400,000	\$0.025	10,000
17-Oct-19	Exercise of options	2,500,000	\$0.02	50,000
25-Nov-19	Exercise of options	27,000,000	\$0.02	540,000
13-Dec-19	Issue*	1,098,901	\$0.087	95,604
31-Jan-20	Placement	5,315,727	\$0.105	558,151
2-Mar-20	Issue*	4,367,500	\$0.125	545,938
18-Mar-20	Placement	50,800,000	\$0.10	5,080,000
30-Jun-20	Placement	2,500,000	\$0.10	250,000
-	Share issue costs	-	-	(410,751)
30-Jun-20	Closing Balance	466,786,162	-	43,575,908

* Includes share-based payment consideration, in which the value of share-based payment consideration is subject to the provisions of AASB Interpretation 19 – Extinguishing Financial Liabilities with Equity Instruments.

(ii) Terms and conditions of issued capital

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

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(iii) Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programs and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

(iv) Unissued ordinary shares

Unissued ordinary shares of Anglo Australian Resources NL under option at the date of this report are as follows:

Tranche	Grant date	Expiry date	Exercise price	number
A	30-Nov-15	30-Nov-20	\$0.02	29,800,000
B	25-Aug-16	30-Nov-20	\$0.025	10,100,000
C	8-Dec-16	30-Nov-20	\$0.04	2,500,000
D	29-Aug-17	30-Nov-20	\$0.08	8,950,000
E	2-Dec-19	27-Nov-22	\$0.135	1,000,000
F	2-Dec-19	27-Nov-22	\$0.135	1,000,000
G	2-Dec-19	27-Nov-22	\$0.135	1,000,000
H	6-Aug-20	31-Dec-21	\$0.133	1,250,000
I	6-Aug-20	31-Dec-22	\$0.15	1,250,000
Total unlisted options on issue at the date of this report				56,850,000



(v) Equity settled transactions

Settlement of Trade Payables

The Group issued the following fully paid ordinary shares during the year as consideration for the settlement of invoices:

- 26 July 2019: 802,950 fully paid ordinary shares were issued at a deemed issue price of \$0.06 per share to settle outstanding invoices;
- 12 August 2019: 1,548,815 fully paid ordinary shares were issued at a deemed issue price of \$0.062 per share to settle outstanding invoices;
- 27 September 2019: 2,183,076 fully paid ordinary shares were issued at a deemed issue price of \$0.065 per share to settle outstanding invoices;
- 13 December 2019: 1,098,901 fully paid shares were issued at a deemed issue price of \$0.091 to settle outstanding invoices;
- 31 January 2020: 329,120 fully paid shares were issued at a deemed issue price of \$0.105 per share to settle outstanding invoices; and
- 2 March 2020: 4,367,500 fully paid ordinary shares were issued at a deemed issue price of \$0.10 per share, in accordance with the terms of the Settlement Agreement, as outlined below.
- Pursuant to the provisions of AASB Interpretation 19 – Extinguishing Financial Liabilities with Equity Instruments, the outstanding debts were extinguished based on the fair value of equity instruments issued. As a result, \$108,881 was recorded as an expense in the Consolidated Statement of Profit or Loss.

Settlement Agreement

By notice dated 29 October 2019, Braham Investments Pty Ltd (ACN 092 139 403) requisitioned a meeting of the Company's shareholders, which was to be held on 20 December 2019 (or an adjourned date) (the **Requisitioned Meeting**). On 28 November 2019, Anglo Australian commenced proceeding number COR 232 of 2019 in the Supreme Court of Western Australia (**Proceeding**) against a number of the Company's shareholders.

On 23 December 2019, the Company announced that it had entered into a Settlement Agreement with the parties involved in the Requisitioned Meeting and Proceeding (together, the **Settlement Agreement Parties**). Under the terms of the Settlement Agreement, the Settlement Agreement Parties agreed to fully and finally settle the Proceeding and all possible disputes arising out of or in connection with the Proceeding or the Requisitioned Meeting, subject to a number of terms, one of which involved the Company settling defendants' costs of \$453,250, via a combination of cash (\$16,500) and equity (\$436,750). In accordance with the terms of the Settlement Agreement, on 2 March 2020, 4,367,500 fully paid ordinary shares were issued to the Settlement Agreement Parties at a deemed issued price of \$0.10 per share.

19. Share based payment reserves

	2020 \$	2019 \$
Share based payment reserves		
Options reserve (i)	1,080,108	916,649
Performance rights reserve (ii)	9,828	-
	1,089,936	916,649

(i) Options reserve

The share-based payment reserve recognises options and performance rights issued as share based payments. The following options were issued during the prior year:

Options	Number	Reserve
Opening balance as at 1 July 2018	91,450,000	916,649
Exercise of options 30 June 2019	(10,200,000)	
	81,250,000	916,649
	Number	Reserve
Opening balance as at 1 July 2019	81,250,000	916,649
Exercise of options	(29,900,000)	-
Options issued to director	3,000,000	67,046



Options issued to advisors *	2,500,000	96,413
30 June 2020	56,850,000	1,080,108

* The Company issued 2,500,000 unquoted options to a third party on 6 August 2020 with respect to services rendered under an agreement (refer to Note 20). The agreement was dated 6 March 2020. Consequently, the fair value of the options issued has been recognised as an expense prior to year end.

(ii) Performance rights reserve

The share-based payment reserve recognises performance rights issued as share based payments. The following performance rights were issued during the prior year:

Performance rights	Number	Reserve
Opening balance as at 1 July 2019	-	-
Performance Rights issued to directors and employees	14,341,709	9,828
30 June 2020	14,341,709	9,828

20. Operating cash flow reconciliation

	2020 \$	2019 \$
<i>Reconciliation of operating cash flows to net profit/(loss)</i>		
Profit/(loss) for the year	(2,710,042)	(656,006)
Interest income reported under investment activities	(3,677)	(6,309)
Interest expense reported under financing activities	4,946	-
Share based payments	76,874	32,000
Legal settlement/costs – settled via equity	444,875	-
Depreciation expense	72,951	4,765
Impairment expense	457,480	-
Exploration expenditure written off	61,842	(33,098)
Directors fees taken in equity	170,362	199,999
Consultancy fees taken in equity	134,664	-
Loss on financial liabilities settled via equity	108,882	-
<i>Change in operating assets and liabilities</i>		
Change in trade and other receivables	(103,824)	1,528
Change in trade and other payables	10,691	(39,784)
Cash flow from operations	1,273,976	(496,905)

Non-cash financing and investing activities

During the year, the Group agreed to settle the following financing and investing costs via the issue of the following equity securities:

- On 3 September 2019, the Company issued 385,000 fully paid ordinary shares at a deemed issue price of \$0.065 to settle invoices relating to capital raising costs of \$22,750;
- On 31 January 2020, the Company issued 329,120 fully paid ordinary shares at a deemed issue price of \$0.105 to settle invoices relating to capital raising costs of \$34,558;
- 2,500,000 options with a fair value of \$96,413 were issued to advisors as part of capital raising fees on 6 August 2020, subsequent to the end of the year; and
- Total unpaid Directors fees of \$194,000 were extinguished through exercise of 9,700,002 options with an exercise price of \$0.02 per share.

There are no other non-cash financing and investing activities other than the above.

21. Financial risk management

Overview

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



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

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations resulting in financial loss to the Group. Presently, the Group undertakes mineral exploration and evaluation activities in Australia. At the balance sheet date, there were no significant concentrations of credit risk.

(i) Cash and cash equivalents

The Group limits its exposure to credit risk by only investing with major Australian financial institutions. All cash and cash equivalents are held with A+ rated financial institutions (2019: AA-).

(ii) Trade and other receivables

The Group's trade and other receivables relates to government grant income, GST refunds and rental income.

At 30 June 2020, a receivable of \$100,000 was included, which relates to the non-refundable deposit paid by AuKing with respect to the proposed Koongie Park farm-out arrangement. This amount was received on 1 July 2020.

The Group has determined that its credit risk exposure on trade and other receivables is low, as all counterparties are considered reliable. Management does not expect any of these counterparties to fail to meet their obligations.

Exposure to credit risk

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

	Carrying Amount	
	2020 \$	2019 \$
Trade and other receivables	307,919	159,183
Cash and cash equivalents	3,401,903	448,919
Total	3,709,822	608,102

(b) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Group manages liquidity risk by maintaining adequate cash reserves from capital raisings and by continually monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. As at reporting date the Group had sufficient cash reserves to meet its requirements. The Group therefore had no credit standby facilities or arrangements for further funding in place.

The financial liabilities of the Group at reporting date were trade payables incurred in the normal course of the business and lease liabilities. Trade payables are non-interest bearing and were due within the normal 30-60 days terms of creditor payments. The Group does not consider this to be material to the Group and have therefore not undertaken any further analysis of risk exposure.

The following are the contractual maturities of financial liabilities, including estimated interest payments. The carrying amount of the Group's financial liabilities approximate their carrying amount at reporting date.

30 June 2020	Carrying Amount	Contractual Cash Flows	12 Months or Less	1-2 years	2-5 years	>5 years
Trade and other payables	407,119	407,119	407,119	-	-	-
Lease liabilities	104,394	115,500	64,200	30,300	18,000	3,000
Total	511,513	522,619	471,319	30,300	18,000	3,000

30 June 2019	Carrying Amount	Contractual Cash Flows	12 Months or Less	1-2 years	2-5 years	>5 years
Trade and other payables	646,654	646,654	646,654	-	-	-
Lease liabilities	-	-	-	-	-	-
Total	646,653	646,653	646,653	-	-	-

**(c) Market risk**

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

(i) Commodity risk

The Group is at a stage of development where it has little or no exposure to commodity price risk.

(ii) Interest rate risk

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

Profile

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

	Carrying Amount	
	2020 \$	2019 \$
Variable rate instruments		
Cash and cash equivalents	3,401,903	448,919

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would not materially affect equity and profit or loss after tax.

(d) Fair values

The carrying value of cash and cash equivalents, trade and other receivables, trade and other payables and interest-bearing liabilities is considered to be a fair approximation of their fair values.

22. Share based payments**(a) Employee Incentive Plan**

The establishment of the Company's Employee Incentive Plan (the **Plan**) was approved by shareholders at a general meeting held on 16 June 2020.

The Plan is intended to assist the Company to attract and retain key staff, including employees or contractors. The Board believes that grants made to eligible participants under the Plan will provide a powerful tool to underpin the Company's employment and engagement strategy, and that the Plan will:

- enable the Company to incentivise and retain existing key management personnel and other eligible employees and contractors needed to achieve the Company's business objectives;
- enable the Company to recruit, incentivise and retain additional Key Management Personnel, and other eligible employees and contractors, needed to achieve the Company's business objectives;
- link the reward of key staff with the achievement of strategic goals and the long-term performance of the Company;
- align the financial interest of participants of the Plan with those of Shareholders; and
- provide incentives to participants under the Plan to focus on superior performance that creates Shareholder value.

Under the Plan, eligible Directors, employees and contractors may be invited to subscribe for Options and Performance Rights, in order to increase the range of potential incentives available for eligible Directors, employees and contractors. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Incentive securities (performance rights and options) issued under the Plan are subject to vesting and performance conditions imposed by the Board. Incentive securities granted under the plan carry no dividend or voting rights. Only upon satisfaction of vesting and performance conditions and conversion to ordinary shares, will these incentive securities rank equally with all other shares.



(b) Unlisted options

Options over ordinary shares have been issued for nil cash consideration. The options cannot be transferred and will not be quoted on the ASX. Therefore, no voting rights are attached to the options unless converted into ordinary shares. All options are granted at the discretion of the Board. The terms and conditions of options on issue at 30 June 2020 are as follows:

Tranche	Number	Grant Date	Expiry Date	Exercise Price (cents)	Fair Value at Grant Date (cents)	Vesting Date
A	29,800,000	30-Nov-15	30-Nov-20	2.00	0.37	-
B	10,100,000	25-Aug-16	30-Nov-20	2.50	1.00	-
C	2,500,000	8-Dec-16	30-Nov-20	4.00	1.43	-
D	8,950,000	29-Aug-17	30-Nov-20	8.00	2.22	-
E	1,000,000	2-Dec-19	27-Nov-22	13.50	3.59	2-Dec-19
F	1,000,000	2-Dec-19	27-Nov-22	13.50	3.59	27-Nov-20
G	1,000,000	2-Dec-19	27-Nov-22	13.50	3.59	27-Nov-21
Total	54,350,000					

All options detailed in the table above were issued prior to the introduction of the Company's Employee Incentive Plan.

There have been no alterations of the terms and conditions of the above share-based payment arrangement since grant date.

The following table illustrates the number and weighted average exercise prices of and movements in share options issued during the year:

	2020		2019	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Outstanding at the beginning of the year	81,250,000	\$0.028	91,450,000	\$0.027
Granted during the year	3,000,000	\$0.135	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	(29,900,000)	\$0.02	(10,200,000)	\$0.02
Expired during the year	-	-	-	-
Outstanding at the end of year	54,350,000	\$0.038	81,250,000	\$0.028
Exercisable at the end of year	52,350,000	\$0.034	81,250,000	\$0.028

The fair values of the equity settled share options granted are estimated as at the date of the grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted.

The terms and conditions of each grant of unquoted options granted during the year are as follows:

Tranche	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Vesting Date
A	Director Options	02-Dec-19	1,000,000	\$0.135	27 Nov 2022	Immediate
B	Director Options	02-Dec-19	1,000,000	\$0.135	27 Nov 2022	27 Nov 2020
C	Director Options	02-Dec-19	1,000,000	\$0.135	27 Nov 2022	27 Nov 2021

In order for the Director Options to vest, the Director must remain a director as at the Vesting Date.



The Options were valued using a Black Scholes Model with the following inputs:

Tranche	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Options (\$)	Total Value (\$)
A	02-Dec-19	80%	0.70%	27 Nov 2022	\$0.088	0.0359	35,909
B	02-Dec-19	80%	0.70%	27 Nov 2022	\$0.088	0.0359	35,909
C	02-Dec-19	80%	0.70%	27 Nov 2022	\$0.088	0.0359	35,909

Subject to the Board's discretion, options shall be cancelled for nil consideration where the recipient ceases to hold employment or office with the Company.

Subsequent to 30 June 2020, the Company issued 2,500,000 unquoted options to a third party on 6 August 2020 with respect to services rendered under an agreement (refer to Note 20). The agreement was dated 6 March 2020. Consequently, the fair value of the options issued has been recognised as an expense prior to year end.

The terms and conditions of each grant of unquoted options granted during the year are as follows:

Tranche	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Vesting Date
H	Advisor Options	06-Aug-20	1,250,000	\$0.133	31-Dec-21	Immediate
I	Advisor Options	06-Aug-20	1,250,000	\$0.15	31-Dec-22	Immediate

The Options were valued using a Black Scholes Model with the following inputs:

Tranche	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Options (\$)	Total Value (\$)
H	18-Mar-20	89%	0.35%	31-Dec-21	\$0.095	0.0346	43,267
I	18-Mar-20	89%	0.35%	31-Dec-22	\$0.095	0.0425	53,145

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

(c) Performance Rights

Performance rights granted during the year as share based payments are as follows:

Tranche	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Disposal Restriction
A	Director performance rights	23-Jun-20	1,830,780	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	23-Jun-24	Non-transferable
B	Director performance rights	23-Jun-20	1,830,780	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	23-Jun-24	Non-transferable
C	Employee / consultant performance rights	23-Jun-20	5,340,075	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	23-Jun-24	Non-transferable
D	Employee / consultant performance rights	23-Jun-20	5,340,074	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	23-Jun-24	Non-transferable



The performance rights shall vest on the later date to occur of:

h) on the date which the milestones shown in the table below are met; and

Tranches	Performance / Vesting Condition and Performance Period	Extent to which Performance Rights vest ¹
A,C	Automatically vest upon the Company announcing a JORC compliant Mineral Resource of at least 500,000 ounces, to be achieved on or before the expiry date.	100%
B,D	Automatically vest upon the Company announcing a JORC compliant Mineral Resource of at least 1,000,000 ounces to be achieved on or before the expiry date.	100%

¹ – Expected vesting date is the same date as the expiry date.

i) the date that the holder gives a notice to the Company confirming that the holder would like the Performance Rights to vest.

The performance rights issued are subject to non-market vesting conditions, to be achieved on or before the expiry dates. The performance rights were valued based on the share price at the deemed grant date.

Tranche	Grant date	Number of Instruments	Valuation at grant date
A	16-Jun-20	1,830,780	\$0.125
B	16-Jun-20	1,830,780	\$0.125
C	23-Jun-20	5,340,075	\$0.15
D	23-Jun-20	5,340,074	\$0.15

(d) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year as part of share-based expense were as follows:

	2020 \$	2019 \$
Performance rights issued to directors and employees	9,828	-
Options issued to director	67,046	-
Options issued to advisors	96,412	-
Shares issued as consideration for services provided	-	32,000
	173,286	32,000

23. Contingent liabilities

The Company announced on 31 August 2020 that it had reached agreement with the respective owners to extinguish two third-party royalties held over tenement M15/633 of the Mandilla Gold Project. The third-party royalties provided for the following payments to be made:

- Royalty # 1: \$1 per tonne of gold ore mined and treated; and
- Royalty # 2:
 - 4% NSR (net smelter royalty) on gold production in excess of 100,000oz; and
 - A price participation royalty of 10% on every dollar the gold price exceeds A\$600 for every ounce produced.

The consideration provided to extinguish these royalties was as follows:

- Royalty # 1: issue of 1,142,588 ordinary shares at a deemed issue price of \$0.175 per share (nominal value of AUD\$200,000) (issued on 6 August 2020); and
- Royalty # 2: Payment of cash consideration of US\$400,000 (paid 31 August 2020).

The Group has given bank guarantees as at 30 June 2020 of \$51,365 (2019: \$38,000) to various landlords (refer to Note 9).



24. Commitments

(a) Exploration expenditure

In order to maintain mining tenements, the economic entity is committed to meet the prescribed conditions under which tenements were granted. These commitments may be met in the normal course of operations by future capital raisings and/or farm-out and under certain circumstances are subject to the possibility of adjustment to the amount and timing of such obligations or by tenement relinquishment.

30 June 2020	Mandilla \$	Feysville \$	Koongie Park ¹ \$	Other \$	Total \$
Exploration expenditure commitments					
Payable:					
Not later than 12 months	148,100	74,313	368,454	50,000	640,867
Between 12 months and 5 years	524,236	50,236	693,187	75,096	1,342,754
Greater than 5 years	526,214	-	315,034	-	841,248
Total	1,198,550	124,549	1,376,675	125,096	2,824,870

¹ – Expenditure commitments relating to Koongie Park may be reduced if the proposed farm-out transaction with AuKing proceeds.

30 June 2019	Mandilla \$	Feysville \$	Koongie Park \$	Other \$	Total \$
Exploration expenditure commitments					
Payable:					
Not later than 12 months	68,518	117,365	412,530	43,658	642,070
Between 12 months and 5 years	235,186	90,674	800,989	117,334	1,244,182
Greater than 5 years	574,588	-	443,001	-	1,017,589
Sub-total	878,292	208,039	1,656,520	160,992	2,903,843

(b) Operating leases

The Company held non-cancellable operating lease rentals as at 30 June 2019 with total financial commitments of \$65,845. These leases all expired during the year.

25. Key management personnel disclosures

Compensation

The aggregate compensation paid to directors and other members of key management personnel of the Group is set out below:

	2020 \$	2019 \$
Short-term employee benefits	646,844	260,000
Post-employment long term benefits	33,371	-
Long term benefits (annual leave)	-	-
Share based payments	74,820	-
Total	755,035	260,000

As required by Corporations Regulation 2M.3.03, information regarding individual Directors' and Executives' compensation and equity instrument disclosures is provided in the Remuneration Report section of the Directors' Report.

During the current period, 3,000,000 unlisted options and 11,471,577 performance rights were awarded to key management personnel. See Note 22 and the Remuneration Report for further details of these related party transactions.



26. Related party disclosure

(a) Parent entities

Anglo Australian Resources NL is the ultimate Australian parent entity.

(b) Subsidiaries

The consolidated financial statements include the financial statements of Anglo Australian Resources NL and the subsidiaries listed in the following table.

	2020		2019		Principal Activity
	Country of Incorporation	% Equity Interest	Country of Incorporation	% Equity Interest	
Mandilla Gold Pty Ltd	Australia	100	Australia	100	Operating subsidiary
Feysville Gold Pty Ltd	Australia	100	Australia	100	Operating subsidiary

(c) Key management personnel

Disclosures relating to compensation of key management personnel are set out in Note 25 and in the Remuneration Report included in the Directors' Report. Key management personnel covered in this report are listed below in Figure 20 and Figure 21.

Figure 20: Directors (executive and non-executive)

Name	Position
Mr Leigh Warnick	Chairman (from 23 December 2019)
Mr Marc Ducler	Managing Director (from 23 December 2019)
Mr John Jones	Executive Chairman (1 July 2019 to 22 December 2019) Non-Executive Director (from 23 December 2019)
Mr Peter Stern	Non-Executive Director
Mr David Varcoe	Non-Executive Director (from 28 November 2019)
Mr Graeme Smith	Non-Executive Director (to 23 December 2019)
Mr Andrew Barclay	Non-Executive Director (13 December 2019 to 23 December 2019)
Mr Matthew Hardisty	Non-Executive Director (13 December 2019 to 23 December 2019)
Mr David Sanders	Non-Executive Director (27 November 2019 to 28 November 2019)

Figure 21: Other key management personnel

Name	Position
Jed Whitford	General Manager Projects & Business Development (from 13 January 2020)
Brendon Morton	Chief Financial Officer & Company Secretary (from 24 December 2019)
Julie Reid	Geology Manager (from 2 January 2020)

(d) Transactions with related parties

The following transactions occurred with related parties are summarised below:

	2020	2019
	\$	\$
Payment for goods and services	496,161	46,312
Payment for legal settlement	10,000	-
Equity settlement of legal settlement	70,000	-
Receipts for goods and services	28,605	50,334

The summary above is inclusive of the following transactions with related parties.

Westbury Management Services Pty Ltd, a company of which John Jones is a Director, received \$940.92 excluding GST (2019: \$612.12) during the year for storage services. These services were provided on normal commercial terms and at arm's length. As at 30 June 2020, \$0 (2019: \$0) remained outstanding.

Metropolis Pty Ltd, a company of which Peter Stern is a director, received \$105,000 excluding GST (2019: \$0) during the year of which \$50,000 related to non-executive director fees (2019: \$50,000), \$30,000 related to invoices raised for additional services (2019: \$50,000) and \$25,000 related to accrued director's fees owing at 30 June 2019. These services were provided on normal commercial terms and at arm's length. As at 30 June 2020, \$0 (2019: \$25,000) remained outstanding. Consideration of \$80,000 was deployed to exercise 4,000,000 \$0.02 options expiring 30 November 2019.



Wembley Corporate Pty Ltd, a company of which Graeme Smith is a Director, received \$85,143 excluding GST (2019: \$45,700) during the year for director's fees, company secretarial and accounting services. These services were provided on normal commercial terms and at arm's length. As at 30 June 2020, \$0 (2019: \$0) remained outstanding. Consideration of \$23,638 was deployed to exercise 1,181,940 \$0.02 options expiring 30 November 2019, with the balance of the consideration paid in cash.

Andrew Barclay & Associates, an entity associated with Andrew Barclay, received \$60,270 excluding GST during the year for legal services provided to the Company. These services were provided on normal commercial terms and at arm's length. As at 30 June 2020, \$0 remained outstanding.

Bennett + Co, an entity associated with David Sanders, received \$244,807 excluding GST during the year for legal services provided to the Company. These services were provided on normal commercial terms and at arm's length. As at 30 June 2020, \$0 remained outstanding.

Tanga Resources Limited, a company of which Graeme Smith is an Officer, paid \$28,605 excluding GST (2019: \$50,334) to the Company during the year for rent, carpark and outgoings at 63 Hay Street, Subiaco. These services were provided to Tanga Resources Limited on normal commercial terms and at arm's length. As at 30 June 2020, \$0 (2019: \$0) remained outstanding.

Settlement Agreement

By notice dated 29 October 2019, Braham Investments Pty Ltd (ACN 092 139 403) requisitioned a meeting of the Company's shareholders, which was to be held on 20 December 2019 (or an adjourned date) (the **Requisitioned Meeting**). On 28 November 2019, Anglo Australian commenced proceeding number COR 232 of 2019 in the Supreme Court of Western Australia (**Proceeding**) against a number of the Company's shareholders.

On 23 December 2019, the Company announced that it had entered into a Settlement Agreement with the parties involved in the Requisitioned Meeting and Proceeding (together, the **Settlement Agreement Parties**). Under the terms of the Settlement Agreement, the Settlement Agreement Parties agreed to fully and finally settle the Proceeding and all possible disputes arising out of or in connection with the Proceeding or the Requisitioned Meeting, subject to a number of terms, one of which involved the Company settling defendants costs of \$453,250, via a combination of cash (\$16,500) and equity (\$436,750). In accordance with the terms of the Settlement Agreement, on 2 March 2020, 4,367,500 fully paid ordinary shares were issued to the Settlement Agreement Parties at a deemed issued price of \$0.10 per share.

Amounts paid to the Settlement Agreement Parties included the following related party transactions:

- \$10,000 was paid to Peter Stern on 22 January 2020; and
- 700,000 fully paid ordinary shares were issued to Peter Stern on 2 March 2020, at a deemed issue price of \$0.10 per share.

These amounts above are disclosed fully in the Remuneration Report included in the Directors' Report.

(e) Loans to/from related parties

During the year, the Company incurred expenditure on behalf of director, Mr John Jones totalling \$30,347. By agreement between the Company and Mr Jones, the amount was fully extinguished by being offset against directors' fees owing to Mr. Jones at 30 June 2020.

There were no loans to or from key management personnel outstanding as at 30 June 2020 (2019: nil).

(f) Terms and conditions

All transactions with related parties were made at arms length on normal commercial terms and conditions.



27. Events after the reporting date

Date	Details
2 July 2020	The Company advised that it had appointed BDO Audit (WA) Pty Ltd as auditor of the Company. A resolution will be proposed at the Company's 2020 Annual General Meeting to ratify the appointment.
22-July-2020	The Company issued 2,382,216 LTI performance rights to a nominee of Mr. Marc Ducler, Managing Director. The LTI Performance Rights were issued under the Company's Employee Incentive Plan. The issue was approved by resolution of shareholders on 16 June 2020.
6 August 2020	The Company issued 2,500,000 unquoted options to a third party with respect to services rendered (see Note 20), with the following exercise prices and expiry dates: <ul style="list-style-type: none"> ▪ 1,250,000 unquoted options exercisable at \$0.133, expiring 31 December 2021; and ▪ 1,250,000 unquoted options exercisable at \$0.15, expiring 31 December 2022.
31-August-2020	The Company announced that it had reached agreement with the respective owners to extinguish two third-party royalties held over tenement M15/633 of the Mandilla Gold Project. The third-party royalties provided for the following payments: <ul style="list-style-type: none"> ▪ Royalty # 1: \$1 per tonne of gold ore mined and treated; and ▪ Royalty # 2: comprising: <ul style="list-style-type: none"> ○ 4% NSR (net smelter royalty) on gold production in excess of 100,000oz; and ○ A price participation royalty of 10% on every dollar the gold price exceeds A\$600 for every ounce produced. The consideration provided to extinguish these royalties was as follows: <ul style="list-style-type: none"> ▪ Royalty # 1: issue of 1,142,588 ordinary shares at a deemed issue price of \$0.175 per share (nominal value of AUD\$200,000) (issued on 6 August 2020); and ▪ Royalty # 2: Payment of cash consideration of US\$400,000.
18 September 2020	The Company announced that it had completed a capital raising to raise a total of \$11 million via the issue of approximately 64.7 million fully paid ordinary shares at \$0.17 per share.
18 September 2020	The Company also announced that it would undertake a non-underwritten Share Purchase Plan (SPP) to raise up to \$3 million at an issue price of \$0.17. The SPP offer opens for acceptance on 25 September 2020.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

28. Auditor's remuneration

	2020 \$	2019 \$
Audit Services		
Amounts received or due and receivable by Elderton Audit Pty Ltd		
- An audit and review of the financial reports of the Group (including subsidiaries)	23,700	29,618
Amounts received or due and receivable by BDO Audit (WA) Pty Ltd		
- An audit and review of the financial reports of the Group (including subsidiaries)	20,284	-
Non-Audit Services	-	-
Total	43,984	29,618



29. Parent entity information

The following details information related to the parent entity, Anglo Australian Resources NL, as at 30 June 2020. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	2020 \$	2019 \$
Current assets	3,709,822	608,102
Non-current assets	8,415,049	5,874,443
Total assets	12,124,871	6,482,546
Current liabilities	527,111	652,223
Non-current liabilities	108,145	61,820
Total liabilities	635,256	714,043
Net assets	11,489,614	5,768,503
Contributed equity	43,575,908	35,292,993
Reserves	1,089,936	916,649
Accumulated losses	(33,176,229)	(30,441,139)
Total equity	11,489,614	5,768,503
Loss after income tax *	(2,735,090)	(630,959)
Other comprehensive income/ (loss) for the period	(2,735,090)	(630,959)
Total comprehensive loss for the period	(2,735,090)	(630,959)

* Includes an impairment charge of \$256,014.

Commitments

The parent entity has \$2,700,322 (2019: \$2,695,803) of commitments relating to minimum exploration expenditure on its various tenements at financial year end.

Guarantees

The parent entity has given bank guarantees as at 30 June 2020 of \$51,365 (2019: \$38,000) to various landlords (refer to Note 9).



Director's Declaration

In the Directors' opinion:

- (a) The financial statements and notes are in accordance with the *Corporations Act 2001*, and:
- (i) comply with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
 - (ii) give a true and fair view of the financial position as at 30 June 2020 and of the performance for the period ended on that date of the Group; and
 - (iii) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements.
- (b) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations by the Managing Director as required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by;

Marc Ducler
Managing Director

Perth, Western Australia
25 September 2020



ASX Additional Information

Additional information required by the ASX Listing Rules not disclosed elsewhere in this Annual Report is set out below.

1. Shareholdings

The issued capital of the Company as at 17 September 2020 is 467,929,020 ordinary fully paid shares and 56,850,000 unlisted options (details below). All issued ordinary fully paid shares carry one vote per share.

Ordinary Shares

Shares Range	Holders	Units	%
1-1,000	486	242,729	0.05%
1,001-5,000	645	1,858,438	0.40%
5,001-10,000	404	3,274,938	0.70%
10,001-100,000	848	32,645,726	6.98%
100,001 and above	408	429,907,189	91.87%
Total	2,791	467,929,020	100.00%

Unmarketable parcels

There were 817 holders of less than a marketable parcel of ordinary shares.

2. Top 20 Shareholders as at 17 September 2020

	Name	Number of shares	%
1	PORTER STREET INVESTMENTS PTY LTD	32,419,616	6.93%
2	BRAHAM INVESTMENTS PTY LTD <BRAHAM STAFF SUPER FUND A/C>	25,958,502	5.55%
3	BRAHAM CONSOLIDATED PTY LTD	25,700,579	5.49%
4	ACN 106 966 401 PTY LTD	23,250,000	4.97%
5	S LOADER PTY LTD <S LOADER SUPERFUND A/C>	17,011,105	3.64%
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,918,637	3.19%
7	MR PETER ANDREW STERN	12,166,667	2.60%
8	C THWAITES PTY LTD <C THWAITES SUPERFUND A/C>	10,160,400	2.17%
9	CITICORP NOMINEES PTY LIMITED	6,400,802	1.37%
10	MR MATTHEW LLOYD HADDON	6,242,081	1.33%
11	D & P BUCKLEY PTY LTD <D & P BUCKLEY SUPERFUND A/C>	5,893,829	1.26%
12	MR GRAEME IAN SMITH	5,700,000	1.22%
13	MRS ANGELA ORSARIS & MR JOSEPH CHRISTOPHER MARSILI <CHOCOLATE FOREVER S/F A/C>	5,254,837	1.12%
14	M & R HADDON PTY LTD <M & R HADDON SUPERFUND A/C>	4,332,917	0.93%
15	MRS SABINA FONTANA	4,200,000	0.90%
16	M & A ISAACS PTY LTD <ISAACS SUPERFUND A/C>	3,948,263	0.84%
17	K & F FALCONER PTY LTD <K & F FALCONER S/F A/C>	3,875,000	0.83%
18	DIXTRU PTY LIMITED	3,750,000	0.80%
19	TERINGA GEORGE PTY LTD <M&N GRANTEE SUPERFUND A/C>	3,746,723	0.80%
20	VALBONNE II	3,500,000	0.75%
	Total Top 20	218,429,958	46.68%
	Total remaining holders balance	249,499,062	53.32%
	Total	467,929,020	100.00%



3. Unquoted securities

There are 56,850,000 unlisted options over shares in the Company as at 17 September 2020 as follows:

Tranche	Grant date	Expiry date	Exercise price	number
A	30-Nov-15	30-Nov-20	\$0.02	29,800,000
B	25-Aug-16	30-Nov-20	\$0.025	10,100,000
C	8-Dec-16	30-Nov-20	\$0.04	2,500,000
D	29-Aug-17	30-Nov-20	\$0.08	8,950,000
E	2-Dec-19	27-Nov-22	\$0.135	1,000,000
F	2-Dec-19	27-Nov-22	\$0.135	1,000,000
G	2-Dec-19	27-Nov-22	\$0.135	1,000,000
H	6-Aug-20	31-Dec-21	\$0.133	1,250,000
I	6-Aug-20	31-Dec-22	\$0.15	1,250,000
Total unquoted options on issue at the date of this report				56,850,000

There are 14,341,709 performance rights on issue as at 17 September 2020 as follows:

Tranche	Class of Securities	Grant Date	Exercise Price	Expiry Date	Number of Securities
A	Director performance rights	23-Jun-20	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	23-Jun-24	1,830,780
B	Director performance rights	23-Jun-20	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	23-Jun-24	1,830,780
C	Employee / consultant performance rights	23-Jun-20	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	23-Jun-24	5,340,075
D	Employee / consultant performance rights	23-Jun-20	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	23-Jun-24	5,340,074
TOTAL					14,341,709

The names of the security holders holding more than 20% of an unlisted class of security are listed below:

Security	Exercise Price	Number of options	Number of holders	Holders with > 20%
Options expiring 30 November 2020	\$0.02	29,800,000	3	PORTER STREET INVESTMENTS PTY LTD – 77%
Options expiring 30 November 2020	\$0.025	10,100,000	4	PORTER STREET INVESTMENTS PTY LTD – 49%
Options expiring 30 November 2020	\$0.04	2,500,000	2	MR EDWARD JOHN BALTIS – 60% TERRA RESOURCES PTY LTD – 40%
Options expiring 30 November 2020	\$0.08	8,950,000	6	PORTER STREET INVESTMENTS PTY LTD – 40%
Options expiring 27 November 2022	\$0.135	3,000,000	1	DAVID JOHN VARCOE
Options expiring 31 December 2021	\$0.133	1,250,000	1	CG NOMINEES (AUSTRALIA) PTY LTD
Options expiring 31 December 2022	\$0.15	1,250,000	1	CG NOMINEES (AUSTRALIA) PTY LTD
Total		56,850,000		



4. Voting rights

See Note 18 of the financial statements.

5. Substantial shareholders as at 17 September 2020

Holder	Number of shares held	% of issued capital held	Date of last notice
John Load Cecil Jones / Porter Street Investments Pty Ltd	37,102,177	7.99%	6-Aug-20
Braham Investments Pty Ltd / Braham Consolidated Pty Ltd and Simon Anthony Richard Braham	50,869,688	10.92%	20-Mar-20

6. Restricted securities subject to escrow period

There are currently no securities on issue subject to escrow.

7. On-market buyback

There is currently no on-market buyback program for any of Anglo Australian Resources NL's listed securities.