MARVEL GOLD

ABN 77 610 319 769

ANNUAL REPORT - 30 JUNE 2021

Corporate Information

ABN 77 610 319 769

Directors
Mr Stephen Dennis (Non-Executive Chairman)
Mr Phil Hoskins (Managing Director)
Mr Andrew Pardey (Non-Executive Director)
Mr Chris van Wijk (Executive Director)

Company Secretary
Mr Stuart McKenzie

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Auditors
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Website Address
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ASX Code
Shares are listed on the Australian Securities Exchange (**ASX**) under stock code MVL.

Contents

Chairman's report

Dear Shareholders

With the completion of the 2021 financial year, I reflect on what we have achieved over the past 12 months, and the challenges that we faced. The past 12-18 months has been one of transformation for your company.

Not that long ago, we faced serious challenges and uncertainty. Through a great deal of hard work, we have repositioned Marvel as a Mali focused gold explorer, with a significant existing mineral resource and an attractive portfolio of exploration assets.

We have also now lodged a prospectus for a transaction involving a spin-out of the Chilalo Graphite Project and an initial public offering of Evolution Energy Minerals, which is expected to deliver significant value to our shareholders.

In Mali, our primary focus is on the Tabakorole Gold Project, where we have currently completed the milestoness to earn a 51% interest and following recently completed work programs, is nearing 70%. Located along the Bannifin Shear Zone, Tabakorole is situated in a highly prospective, yet largely under explored region of Mali.

At Tabakorole, we have applied a systematic approach to exploration, which has seen a near doubling of the Mineral Resource to 910,000 ounces defined (see page 5) and ongoing exploration success during the 2021 field season that is expected to support a meaningful increase in the Mineral Resource.

We were particularly pleased with the results of an initial metallurgical testwork program that confirmed the amenability of Tabakorole ore to simple carbon-in-leach processing and demonstrated high recoveries from all samples, with low cyanide and lime consumption.

Our exploration focus at Tabakorole is twofold:

1. To grow the existing mineral resource, such that it can support a standalone mining operation. Resource expansion drilling will continue in 2022. We are excited about the opportunities in both the north-west and central zones, where higher-grade mineralisation has been consistently intersected, including areas outside the existing mineral resource.

2. We recognise that major growth for Marvel will likely be driven by a new discovery in our landholding surrounding the existing Tabakorole Mineral Resource. Through a series of strategic tenement acquisitions, we have assembled an attractive land package of 830 km^2. A comprehensive program of gold and multi-element soil geochemistry and ground magnetics. mapping will continue across this land package and has already identified a number of priority targets for follow-up testing in 2022.

We recognise that maintaining a social licence to operate is a fundamental requirement for success in Mali. We aim to ensure that our work in Mali benefits the local communities and other key stakeholders and work in partnership with the communities in which we operate to identify areas of need. This saw us install a solar powered water pump and elevated water tank storage unit at two villages located in close proximity to Tabakorole.

The world is increasingly committed to reducing carbon emissions and graphite has a critical role to play in the achievement of that commitment. Completion of the spin-out of Chilalo and IPO of Evolution is expected to see Marvel hold over 31% of Evolution's shares, giving Marvel shareholders exposure to a high-quality graphite project that is well positioned to benefit from the global commitment to reducing carbon emissions.

With the knowledge and experience we gained in 2021 we look ahead to the 2022 field season in Mali with great anticipation. Our sizeable land package, together with the success achieved from application of a systematic approach to exploration, gives us confidence that the Tabakorole Gold Project will emerge as one of real significance.

I would like to thank my fellow Board members and the management team for their dedication and focus on delivering on what is a most promising gold exploration project.

Finally, the Board would also like to thank shareholders for your continued support. This is an exciting time for Marvel and we look forward to providing updates as we ramp-up exploration efforts in Mali and bring the Chilalo spin-out transaction to a conclusion.

Yours faithfully

Stephen Dennis
Non-executive Chairman

Directors' report

Basis of preparation

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the **Group** or **Company**) consisting of Marvel Gold Limited and the entities it controlled at the end of, or during, the year ended 30 June 2021. Marvel Gold Limited (**Marvel**) is a Company limited by shares that is incorporated and domiciled in Australia.

The attached financial statements for the year ended 30 June 2021 contains an independent auditor's report which includes a material uncertainty related to going concern. For further information, refer to note 28 of the financial statements together with the auditor's report.

Directors and Company Secretary

The following persons were Directors of Marvel (Directors) during the 2021 financial year and up to the date of this report:

Mr Stephen Dennis (Non-Executive Chairman)
Mr Phil Hoskins (Managing Director)
Mr Andrew Pardey (Non-Executive Director)
Mr Chris van Wijk (Executive Director)

Directors were in office for the entire period unless otherwise stated.

The Company Secretary is Mr Stuart McKenzie.

Principal activities

During the period, the principal continuing activities of the Group related to the exploration and development of the Company's gold exploration tenements in Mali.

Dividends

During the period, no dividends were declared or paid.

Significant changes in the state of affairs

During 2021, the Company entered into a joint venture agreement on the Tabakorole and Lakanfla gold projects with Altus Strategies Inc. The Company has various earn in exploration requirements (as announced on the ASX on 17 June 2020) to earn up to 80% interest in the projects.
During 2021, the Company also entered into a joint venture agreement with Oklo Resources Limited on its West Mali projects. The Company completed this transaction earning 80% in the joint venture by paying cash consideration of $200,000. The Company anticipates issuing 20,000,000 shares to Oklo once certain tenements are renewed. A further 20,000,000 Company shares may be issued as consideration, dependent on further milestones.

The Company also entered into an options agreement with Société Minière et Commerciale (**SOMICO**) over the Sakaar exploration permit to earn up to 80% dependent on completion of three stage of various exploration targets. The Company reimbursed SOMICO $21,958 for permit application fees.

The Company's Chilalo Graphite Project in Tanzania has been reclassified as held for sale as it is now likely this asset will be disposed of by the Company via spin off and IPO of the Company's wholly owned subsidiary Evolution. Subsequent to year end a Share Exchange Agreement was executed under which the Company agreed to sell the Chilalo Project to Evolution in exchange for $10 million of Evolution shares (representing approximately 31% of Evolution on a post-ASX listing, undiluted basis) and cash of $2 million (or, if PL 11034/2017 is not reinstated on or before 31 December 2021, then $1 million). All conditions of the Share Exchange Agreement have been met which resulted in the transfer of the Chilalo Project to Evolution and the release of the Prospectus to raise funds for the Evolution IPO. As part of the transaction the Company also reached an agreement with its financier via a deed of release to freeze the balance of the loan at $9.5 million, should the IPO occur prior to 30 November 2021.

Directors' report

Events since the end of the financial year

Subsequent to year end, the Company:

- Substantially increased its Mali landholdings via the acquisition of 438km^2 of exploration permits in Mali. This takes the Company landholding in Mali to 830 km^2.
- A Share Exchange Agreement was executed under which the Company agreed to sell the Chilalo Project to Evolution Energy Minerals Limited (**Evolution**). See significant changes in the statement of affairs above for details.
- Issued 70 million shares at a price of $0.06 per share to raise gross proceeds before costs of $4.2 million.
- Issued options under the employee share scheme including 2,897,692 short term incentive zero priced options, (including 1,116,924 that were issued to KMP), 2,897,692 long term incentive options (including 1,116,924 that were issued to KMP) and 3,500,000 cashless options with an exercise price of $0.06 per share.
- The Company received regulatory approval from the Tanzanian Fair Competition Commission which allows the initial public offering of Evolution and the lodgement of the prospectus on the 28 September 2021 inviting investors to subscribe for Evolution shares.

Likely developments and expected results

In the opinion of the Directors, there is nothing else to report, except as outlined in the Directors' Report, which relates to likely developments in the operations of the Group and the expected results of those operations in financial years subsequent to 30 June 2021.

Environmental regulation

The Group's exploration and development activities and those of its partners are subject to environmental regulations and guidelines applicable to the tenements on which such activities are carried out. Failure to meet environmental conditions attaching to the Group's exploration and mining tenements could lead to forfeiture of those tenements. The Group is committed to achieving a high standard of environmental performance. No environmental breaches have occurred or have been notified by any Government agencies during the period ended 30 June 2021 and up to the date of this report.

Review of operations

Results of operations

A summary of results for 2021 is as follows:

	2021 $	2020 $
Net loss after income tax	(8,997,070)	(7,486,841)
attributable to:		
Fair value gain on loan notes	1,307,349	-
Corporate and administration costs	(1,285,607)	(1,238,722)
Employee benefits	(1,075,132)	(1,176,126)
Exploration and evaluation expenditure	(6,276,412)	(3,461,198)
Finance costs	(2,068,654)	(1,949,048)
Share based payments	(593,258)	149,584

Directors' report

Mali Gold Projects

In June 2020, the Company completed a series of transactions that repositioned it as a Mali focused gold explorer. Those transactions included the acquisition of interests in two gold projects – Tabakorole Gold Project (**Tabakorole**) and the Lakanfla Gold Project (**Lakanfla**) – in Mali through joint venture arrangements with UK listed entity, Altus Strategies plc and a restructure of the debt and security arrangements associated with the Chilalo Graphite Project that left Marvel unencumbered.

Over the past 12 months, the Company has made significant progress in Mali, including:

- Publication of a maiden mineral resource estimate of 910,000 oz Au at Tabakorole;
- Consistent exploration success that is expected to see a meaningful increase in the existing mineral resource at Tabakorole; and
- Strategic acquisitions of additional tenements around the Tabakorole deposit that now sees the Company's landholding at Tabakorole total 830km^2.

In parallel with the advances made in Mali, the Company has progressed a transaction to spin-out its Chilalo Graphite Project and undertake an initial public offering (**IPO**) of Marvel's wholly owned subsidiary, Evolution Energy Minerals Limited (**Evolution**).

Exploration in Mali – Tabakorole Gold Project

Upon acquiring its interest in Tabakorole, the Company's immediate focus was to review the substantial available data set and to undertake drilling of the south-east portion of the deposit in order to support the publication of a mineral resource in accordance with the 2012 JORC Code. This initial drilling program was successful, intersecting **38m at 2.1 g/t gold from 145m** and **31m at 1.2 g/t gold from 191m** and formed part of an upgraded mineral resource estimate reported on 30 September 2021 as shown in Table 1.

Table 1: Tabakorole Mineral Resource Estimate (JORC 2012)

	Indicated			Inferred			Total		
	Mt	Au (g/t)	koz (Au)	Mt	Au (g/t)	koz (Au)	Mt	Au (g/t)	koz (Au)
Oxide	1.0	1.3	40	1.5	1.3	60	2.4	1.3	100
Fresh	6.3	1.2	250	15.1	1.2	560	21.5	1.2	810
Total	**7.3**	**1.2**	**290**	**16.6**	**1.2**	**620**	**23.9**	**1.2**	**910**

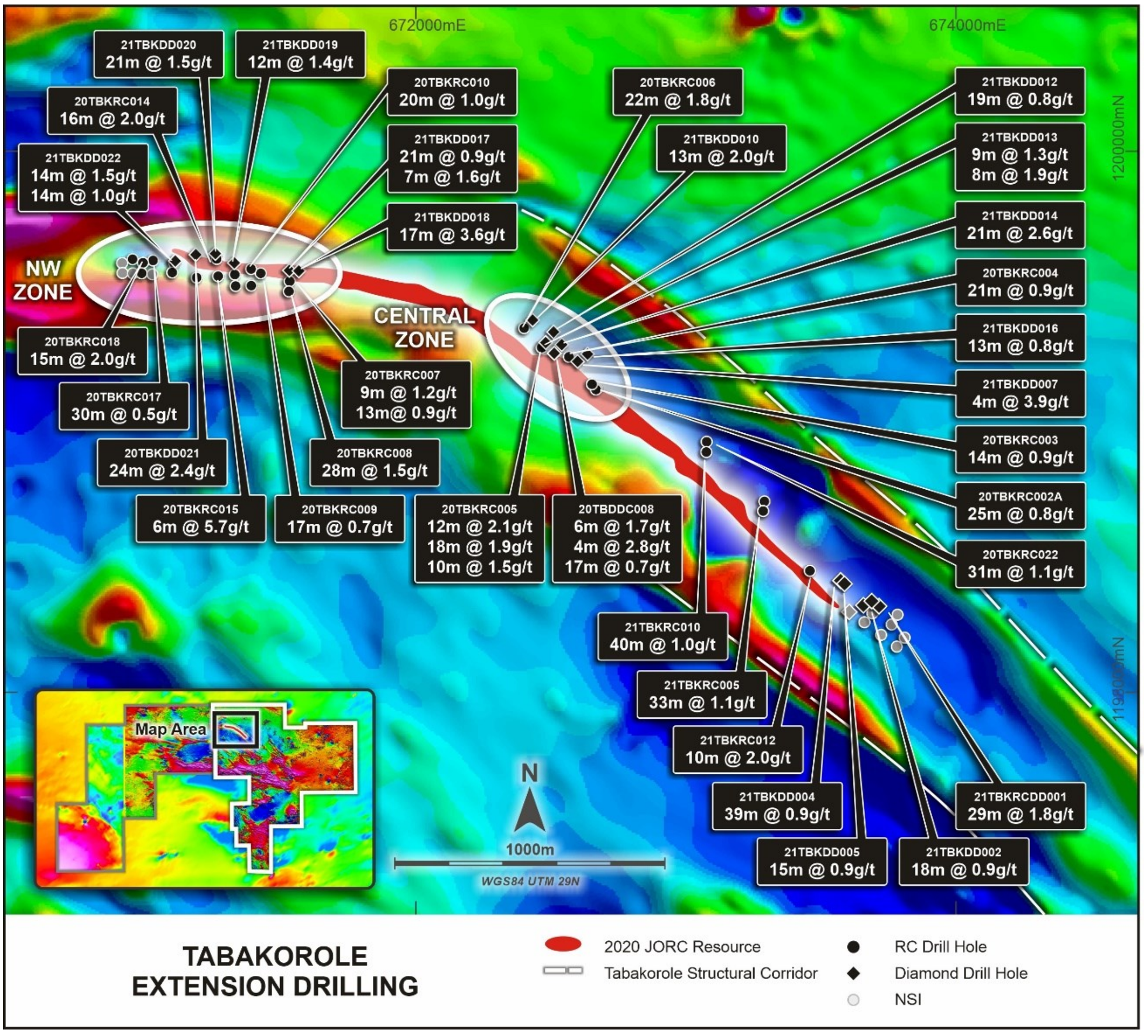
A further 9,540m of resource expansion drilling, comprised of 5,400m of reverse circulation resource (**RC**) drilling and 4,140m of diamond drilling were carried out at Tabakorole, which targeted three main areas:

- Drilling within the existing strike in areas where only sparse drilling had previously occurred
  - Drilling within the existing strike consistently intersected mineralisation, with results including **21m at 2.6 g/t gold from 70m**, **12m at 2.1 g/t gold from 18m, 13m at 2.0 g/t gold from 174m**, **18m at 1.9 g/t gold from 53m**, **22m at 1.8 g/t gold from 77m**, **40m at 1.0 g/t gold from 86m** and **33m at 1.1 g/t gold from 84m**. The results demonstrated continued shallow, higher-grade mineralisation, sitting outside the previously modelled resource and are expected to contribute to an upgraded resource estimate.
- Drilling of the north-west extension, where mineralisation was initially highlighted by aircore drilling (**16m at 6.2 g/t gold from 14m**) completed in 2020
  - Results from 20 holes successfully extended the strike to the north-west, with best intersections including **15m at 2.0 g/t gold from 25m**, **16m at 2.0 g/t gold from 75m**, **6m at 5.8 g/t gold from 61m** and **28m at 1.5 g/t gold from 121m**.
- Drilling to extend mineralisation to the south-east of the Mineral Resource
  - Drilling to test the south-east extended the existing 2.9km strike length a further 150m to the south-east, with better intersections including **29m at 1.8 g/t gold from 178m** and **10m at 2.0 g/t gold from 49m**.

Figure 1 shows the notable results of the RC and diamond drilling carried out at Tabakorole.

Directors' report

Figure 1: Plan view showing results from Tabakorole resource expansion drill program



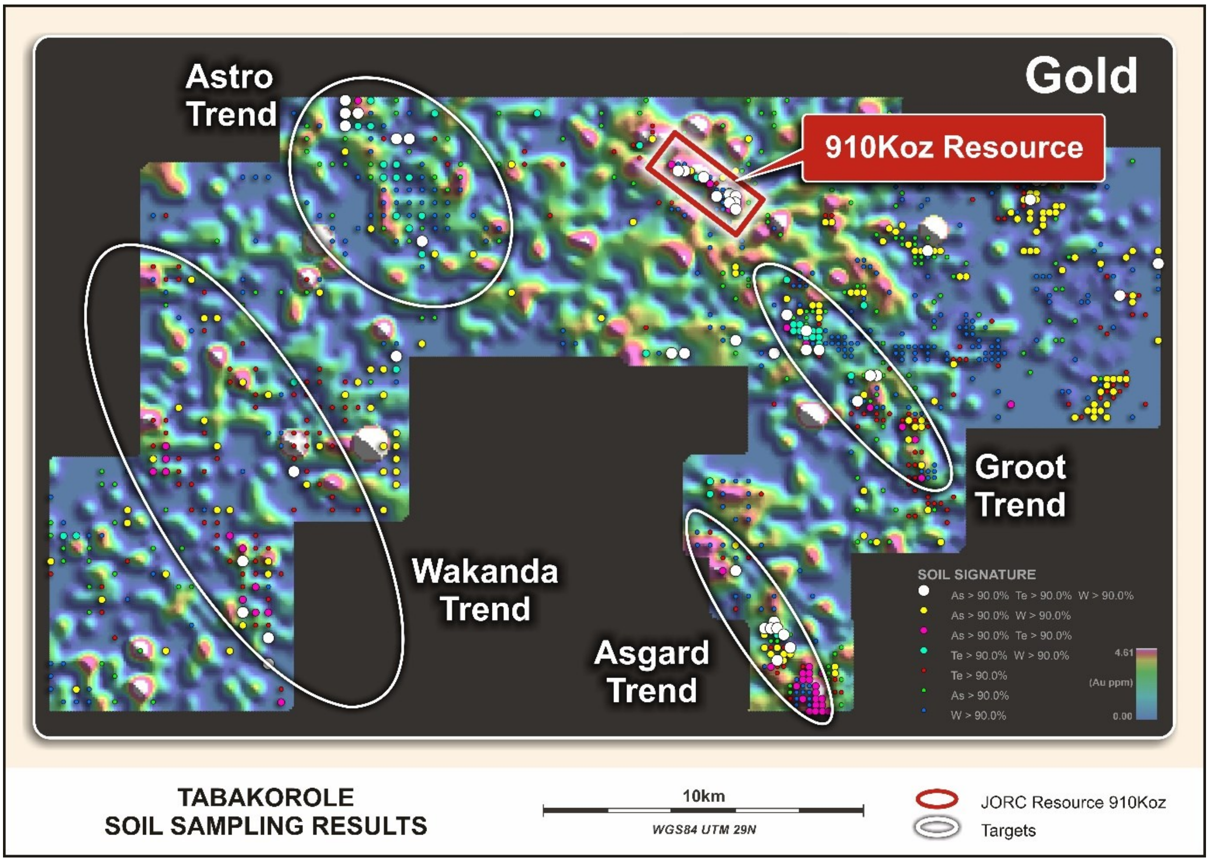
In addition to drilling activities, across its broader landholding at Tabakorole, the Company has also completed a comprehensive multi-element soil geochemistry program (4,267 soil samples) and 5,300 line kilometres of high resolution ground magnetics which has provided the Company with excellent datasets for targeting new discoveries.

Numerous targets were found to exhibit a similar geochemical signature to the Tabakorole deposit, being anomalous in gold, arsenic, tungsten and tellurium.

Figure 2 shows the geochemical grid for gold as well as Tabakorole's signature pathfinder elements, arsenic, tungsten and tellurium.

Directors' report

Figure 2: Soil geochemistry grid for gold showing coincident anomalism with arsenic and tellurium



The Company recognises that continued growth at Tabakorole must come from additional gold discoveries. With the project located in a prospective structural setting proximal to the Bannifin Shear Zone, soil geochemistry results delineating numerous targets with strong coincident multi-element anomalism, including several Tabakorole "lookalike" signatures and high-resolution ground magnetics providing the structural data to support robust targeting, Marvel is strongly placed to deliver further discoveries.

Positive metallurgical testwork results at Tabakorole

During the year, the Company completed an initial metallurgical testwork program that confirmed the amenability of Tabakorole ore to simple carbon-in-leach processing.

A total of four composite samples were collected from diamond drillholes completed by the Company in mid-2020. The composites were made from the coarse split of diamond drilling samples based on the drillhole locations within the Tabkorole deposit and the head grade assay of the original samples. The composites targeted the current Mineral Resource grade of 1.2 g/t gold and ranged from 1.1-1.9 g/t gold. All samples were taken in fresh rock as this material represents approximately 90% of the Tabakorole Mineral Resource. Initial bottle roll testing is the industry standard first step to determine gold recoveries from cyanide leaching.

Results from the bottle roll testing showed high recoveries from all samples, with low cyanide and lime consumption. Average leach recoveries were 92.7%, 94.8% and 96.6% for the four samples at the three grind sizes. The high recoveries show that the gold is likely to be recoverable via a simple carbon-in-leach process flow sheet, with no indications of refractory gold.

Growing the Company's landholding in Mali

The Company entered into agreements with Oklo Resources Limited (**Oklo**) to acquire an 80% interest in Oklo's three South Mali gold projects – Tabakorole, Yanfolila and Kolondieba (the **South Mali Gold Projects**) – covering 600km^2 of highly prospective Birimian Greenstone terrain in South Mali.

A key feature of the transaction with Oklo was the acquisition of the Sirakourou and Solabougougda tenements, which adjoin the Tabakorole tenement, and provide an additional 200km^2 of granted tenements.

Directors' report

In addition to the acquisition of the Sirakourou tenement, the Company has completed a series of tenement acquisitions that have increased the total landholding at Tabakorole to 830 km^2. This is primarily a continuous landholding and includes a number of licences contiguous to Tabakorole. The immediate priority with all of the Company's newly acquired licences, is to collect multi-element soil geochemistry datasets and to potentially follow up with ground magnetics, a survey technique that is working very well in this region to define the structures and support targeting activities.

Exploration in Mali – Lakanfla

Results received from the Stage One 3,800m RC drilling program and passive seismic surveys at the Lakanfla Gold Project successfully proved the existence of a karst, defined the size and shape of the karst and returned widespread low-grade gold mineralisation.

While the Company's primary focus is currently on Tabakorole subsequent to the Stage One drilling, activities at Lakanfla have included:

- Refinement of the karst model and reviewing the results of multi-element soil geochemistry to ascertain whether the anomalous results from the Stage One drilling record a primary bedrock or transported gold signature
- Assessing existing near-surface gold mineralisation that has already been defined by historical drilling within the central granite intrusion and determining whether follow up drilling is an option
- Reviewing the results of soil sampling results from outside of the karst target and the granite intrusion where gold assays returned peak values of 39.1 g/t gold and 4.2 g/t gold in soil.

Chilalo Graphite Project

Marvel's proposed spin-out of its Chilalo Graphite Project and IPO of Evolution is at an advanced stage, pending final in-country regulatory approvals. A share exchange agreement has been executed under which the Company agrees to sell the Chilalo Project to Evolution in exchange for $10 million of Evolution shares (expected to represent approximately 31% of Evolution on a post-ASX listing, undiluted basis) and cash of $2 million (or, if PL 11034/2017 is not reinstated on or before 31 December 2021, then $1 million), subject to satisfaction of the pre-conditions.

Directors' report

Information on Directors

Mr Stephen Dennis – Non-Executive Chairman – appointed 4 March 2016		
Experience and expertise	Stephen Dennis has been actively involved in the mining industry for over 30 years. He has held senior management positions at a number of Australian resources companies and was previously the Chief Executive Officer and Managing Director of CBH Resources Limited, the Australian subsidiary of Toho Zinc Co., Ltd of Japan.	
Other current directorships	Heron Resources Limited (Non-Executive Chairman) Rox Resources Limited (Non-Executive Chairman) Burgundy Diamond Mines Ltd. (Non-Executive Chairman) Kalium Lakes Limited (Non-Executive Chairman)	
Former directorships in the last 3 years	LeadFx Inc. (Non-Executive Chairman)	
Special responsibilities	Chairman	
Interests in shares and options	Ordinary shares	4,047,598
	Unlisted Options	2,300,000

Mr Andrew Pardey – Non-Executive Director – appointed 17 June 2020		
Experience and expertise	Mr. Pardey has over 30 years in the mining industry with experience in exploration, project development, construction and operations. Between February 2015 and December 2019, he was Chief Executive Officer of Centamin Plc which holds the Tier 1 Sukari Gold Mine. Andrew also served as General Manager Operations at Sukari before his previous appointment as Chief Operating Officer in May 2012. He was a major driving force in bringing Sukari into production, having joined during the mine's construction phase, and was instrumental in the successful transition of the operation through construction and into production. Andrew holds a BSc in Geology and has also previously held senior positions in Africa, Australia and other parts of the world including with Guinor Gold Corporation and Ashanti Goldfields, now AngloGold Ashanti.	
Other current directorships	Predictive Discovery Limited (Non-Executive Director) Tanga Resources Limited (Non-Executive Chairman)	
Former directorships in the last 3 years	Centamin PLC	
Special responsibilities	N/A	
Interests in shares and options	Ordinary shares	2,000,000
	Unlisted options	4,500,000

Mr Philip Hoskins – Managing Director – appointed 2 February 2016		
Experience and expertise	Mr Hoskins commenced his career at a large international accounting firm and has since gained corporate experience with both Australian and international listed companies. He is a senior executive with over 15 years of broad finance and commercial experience across resources exploration, project development and production as well as large-scale property developments requiring debt and equity financing. He was the Chief Financial Officer of IMX Resources Limited from 2011 to 2014 and then Managing Director from 2014 to 2016. Mr Hoskins became the Managing Director of Graphex Mining Limited in June 2016 which became Marvel Gold Limited in June 2020.	
Other current directorships	Nil	
Former directorships in the last 3 years	N/A	
Special responsibilities	Nil	
Interests in shares and options	Ordinary shares	7,461,328
	Unlisted options	10,250,000

Directors' report

Mr Chris van Wijk – Executive Director - appointed 17 June 2020		
Experience and expertise	Mr Van Wijk is an experienced geologist, who specialises in project evaluation and project generation. Chris brings to his role in Marvel a wealth of relevant experience including base metal and gold exploration in Africa, Europe, the Americas and Australia as well as joint venture management and project evaluation for major mining companies including BHP, IAMGOLD, First Quantum Minerals and Fortescue Metals Group. Chris has managed various successful exploration projects including the Scoping Study at Mont Nimba in Guinea for BHP Billiton and the resource drilling at First Quantum's Sentinel Project in Zambia.	
Other current directorships	Tanga Resources Limited (Non-Executive Director)	
Former directorships in the last 3 years	Indiana Resources Limited (Managing Director)	
Special responsibilities	Nil	
Interests in shares and options	Ordinary shares	412,500
	Unlisted options	8,500,000

Information on Company Secretary

Stuart McKenzie LLB, Bec. (Hons.), AGIA, ACIS – Company secretary	
Experience and expertise	Mr McKenzie has over 30 years of experience in senior commercial roles. He was previously Company Secretary with Anvil Mining Limited for six years, prior to which he held senior positions with Ok Tedi Mining Limited, Ernst and Young and HSBC. Mr McKenzie is the current company secretary of Matador Mining Limited, Lotus Resources Limited, Superior Lake Resources Limited and Tanga Resources Limited.

Meetings of Directors

The number of meetings of the Company's Directors held during the year ended 30 June 2021 and the number of meetings attended by each Director is shown below:

	Meetings of Directors	
	Held	Attended
S Dennis	10	10
A Pardey	10	10
P Hoskins	10	10
C van Wijk	10	10

As at the date of this report, there is no audit and risk committee or remuneration committee. The Board has determined that given the size and composition of the Board and the scale of the Company's activities, the functions of those committees ought to be performed by the Board. For further information, please see the Company's Corporate Governance Statement.

Directors' report

Remuneration report (audited)

(a) Key management personnel covered in this report

This Remuneration Report sets out information relating to the remuneration of the key management personnel (**KMP**) of the Group during the 2021 financial year. KMP are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company and Group, directly or indirectly. The KMP for the 2021 financial year are as set out below.

Non-Executive and Executive Directors

Name	Position
S Dennis	Non-Executive Chairman
A Pardey	Non-Executive Director
P Hoskins	Managing Director
C van Wijk	Executive Director

Other KMP

Name	Position
S McKenzie	Commercial Manager and Company Secretary
C Knee	Chief Financial Officer

(b) Statutory key performance measures

The Company aims to align executive remuneration to the strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the Group's financial performance over the last five years as required by the Corporations Act 2001. These are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMPs, as outlined in (c) below. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

Company performance metric	2021	2020	2019	2018	2017
Company share price (ASX:MVL)	$0.052	$0.039	$0.156	$0.149	$0.240
Company loss after tax	8,997,070	7,486,841	8,049,751	4,106,569	4,635,240
Company exploration expense	6,276,412	3,461,198	4,231,952	951,705	1,389,808

(c) Remuneration policy and link to performance

The Group's approach to remuneration is designed to attract and retain key executive talent, recognise the individual contributions of the Group's people, and motivate them to achieve strong performance aligned to the business strategy, whilst discouraging excessive risk taking.

In summary, the Group's approach to remuneration is to:

- Provide remuneration that is competitive and consistent with market standards;
- Align remuneration with the Company's overall strategy and shareholder interests;
- Reward superior performance within an objective and measurable incentive framework;
- Ensure that executives understand the link between individual reward and Group and individual performance;
- Be at a level acceptable to shareholders; and
- Apply sufficiently flexible remuneration practices that enable the Company to respond to changing circumstances.

Remuneration policy for the year ended 30 June 2021

All Executive KMP remuneration was comprised of the following:

- Fixed (base remuneration):
    - Contractual salary; and

Directors' report

- Legislated superannuation guarantee (9.5% of gross salary for 2021).

- At risk component:
  - Share Based Payments (**SBP**) – described further in the table below.

Element	Purpose	Performance metrics	Potential value
Base (fixed) remuneration	Provide a market competitive salary, including superannuation.	Nil	Within industry averages for the position's required skill and experience. Third party advice is sought periodically to ensure these are at or close to market median.
SBP	Alignment with growth in long-term shareholder value over a three year period.	Nil – exercise prices of $0.035, $0.06 and $0.10.	Managing Director and other KMP up to 65% of base remuneration based on a Black Scholes valuation.

The Company considers performance-based remuneration to be a critical component of the overall remuneration framework, by providing a remuneration structure that rewards employees for achieving goals that are aligned to the Group's strategy and objectives. For the 2021 financial year SBPs were issued under the Company's Option Plan (**Option Plan**), however for the 2022 financial year the Company will roll out an STI/LTI program with a comprehensive set of KPI's.

Share Based Payments

The KMP remuneration structure seeks to drive performance and align with shareholder interests through LTI equity-based remuneration. This involves the issue of options to KMP as SBPs. Subject to performance against agreed exercise prices, SBPs expire three years from the grant date. Each vested SBP option represents a right to be issued one Marvel share. KMPs have three exercise price hurdles as outlined below that are to be achieved within three years when the options expire.

The exercise prices for SBPs granted relating to KPIs during the 30 June 2021 performance period were:

- $0.035
- $0.06; and
- $0.10.

The share price hurdles were set by reference to the capital raising completed immediately prior to the issue of the SBP options. The capital raise was completed at a $0.02 share price, therefore the exercise prices above represented a 75%, 200% and a 400% premium respectively to the capital raising price.

No KMP exercised any of the above mentioned options during the period.

Change in remuneration policy

Following the change in strategic direction and acknowledging that the Company's performance is best assessed by share price performance (as compared to specific known measurable milestones as could be determined previously) the Company implemented a once off grant of options to KMP during the 2021 financial year. This grant replaces the previously distinctive STI and LTIs and incentivises KMP's by aligning their interests with the interests with those of shareholders. Subsequent to year end, the Company issued 2022 SBP to KMP in the form of short term incentives (**STI**s) and long term incentives (**LTI**s). The STI had a number of key performance hurdles including exploration success. The LTI key hurdles were based on share price growth and share price performance against a peer group of companies.

Directors' report

(d) Contractual arrangements with executive KMPs

Component	Managing Director	Executive Director – Exploration	Other KMP - Senior executives
Fixed remuneration	$260,000 plus superannuation.	$120,000 plus superannuation.	$200,000 to $215,000 plus superannuation. All other KMPs are subcontracted to external companies to reduce Company costs. See shared services recovery column in the KMP remuneration table below.
Contract duration	Ongoing contract	Services agreement	Ongoing contract
Notice by individual	3 months	3 months	3 months
Notice by Company	6 months	3 months	3 months
Change of control bonus payment	12 months fixed remuneration. In the event of a change of control, any unvested options will immediately vest on the date that the change of control event occurs, so as to permit the option holder to exercise such options.	6 months fixed remuneration. In the event of a change of control, any unvested options will immediately vest on the date that the change of control event occurs, so as to permit the option holder to exercise such options.	6 months fixed remuneration. In the event of a change of control, any unvested options will immediately vest on the date that the change of control event occurs, so as to permit the option holder to exercise such options.
Termination of employment (with or without cause)	Unvested SBP options to be automatically forfeited unless the Board determines in its discretion to vest some or all of the options.		

(e) Non-Executive Director arrangements

Non-Executive Directors receive an annual fee, paid quarterly. No compensation other than the annual fee (including superannuation) was paid to Directors in 2021. As the Company is not of sufficient size to have separate audit and remuneration committees, no additional fees are paid in connection with the provision of these services.

Non-Executive Director fees are reviewed annually by the Board taking into account comparable roles and market data. Directors' fees will next be reviewed in July 2022, with no changes made in the 2021 financial year. Annual Directors' Fees were approved by shareholders on 25 February 2016 with a maximum pool of $250,000 per year available for Non-Executive Directors. Fees for the financial year are as follows:

- Non-Executive Chairman – $60,000 plus superannuation
- Non-Executive Directors – $40,000 plus superannuation

All Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment which summarises the key terms and conditions of the Non-Executive Director's appointment.

(f) Remuneration expenses for key management personnel

The following table shows details of the remuneration expense recognised for the Group's KMP for the current financial period measured in accordance with the requirements of the accounting standards:

Directors' report

2021 financial year

Name	Fixed remuneration			Variable				Total
	Cash salary	Annual leave	Post-employment benefits	STI / LTI share based payment[2]	Termination	Shared services recovery	Performance based remuneration %	
Non-executive directors								
S Dennis	60,000	-	5,700	37,798	-	-	-	103,498
A Pardey	40,000	-	-	73,952	-	-	-	113,952
Executive directors								
P Hoskins	260,000	83,267	21,694	168,446	-	-	-	533,407
C van Wijk	120,000	-	-	143,795	-	-	-	263,795
Other KMP								
S McKenzie	210,425	24,346	25,000	51,766	-	(186,059)[1]	-	125,478
C Knee	210,000	-	19,000	51,766	-	(175,330)[1]	-	105,436
Total executive and other KMP	**800,425**	**107,613**	**65,694**	**415,774**	**-**	**(361,389)**	-	**1,028,116**
Total NED remuneration	**100,000**	**-**	**5,700**	**111,750**	**-**	-	-	**217,449**
Total KMP remuneration expensed	**900,425**	**107,613**	**71,394**	**527,524**	**-**	**(361,389)**	-	**1,245,566**

[1] The Group is a party to a Shared Services Agreement with Matador Mining Limited, Lotus Resources Limited, Tanga Resources Limited, Cradle Resources Limited and Superior Lake Resources Limited under which the Company shared certain costs. During the year, Executives Mr McKenzie and Mr Knee spent a portion of their time working for the above-mentioned companies, with this time recharged by the Group on an at cost basis. This is included above as the Shared Services Recovery.

[2] Equity settled share based payment.

Directors' report

2020 financial year

Name	Fixed remuneration			Variable			Total
	Cash salary	Annual leave	Post-employment benefits	STI / LTI share based payment	Termination	Shared services recovery	
Non-executive directors							
S Dennis	60,000	-	5,700	-	-	-	65,700
A Pardey[3]	1,444	-	-	-	-	-	1,444
G Davey[1]	10,000	-	950	-	-	-	10,950
D Saint Don[2]	38,590	-	-	-	-	-	38,590
Executive directors							
P Hoskins[6]	310,000	20,551	21,003	(53,908)[4]	-	-	297,646
C van Wijk[3]	-	-	-	-	-	-	-
Other KMP							
S McKenzie	210,425	10,138	25,000	(43,496)[4]	-	(160,889)[5]	41,178
C Knee	200,000	4,777	19,000	(38,269)[4]	-	(151,779)[5]	33,729
Total executive and other KMP	**720,425**	**35,466**	**65,003**	**(135,673)**	**-**	**(312,668)**	**372,553**
Total NED remuneration	**110,034**	**-**	**6,650**	**-**	**-**	**-**	**116,684**
Total KMP remuneration expensed	**830,459**	**35,466**	**71,653**	**(135,673)**	**-**	**(312,668)**	**489,237**

[1] Mr Davey resigned 25 September 2019
[2] Mr Saint Don resigned 17 June 2020.
[3] Mr Andrew Pardey and Mr Chris van Wijk were appointed 17 June 2020.
[4] At the end of each reporting period the Company applies a probability to options with non-market based vesting criteria to reflect the likely number of options that will vest at the end of the vesting period taking into consideration all the vesting criteria. As outlined in the Directors Report, the Company has changed strategic direction which will likely result in all previous options lapsing unvested. This is a result of previous vesting criteria being based on progression and financing of the Chilalo Graphite Project. This results in a reversal of amounts previously expensed.
[5] The Group is a party to a shared services agreement with Matador Mining Limited (**Matador**) and Superior Lake Resources Limited (**Superior**) under which the Company, Matador and Superior shared certain costs. During the year, Mr McKenzie and Mr Knee spent a portion of their time working for Matador and Superior, with this time recharged by the Group on an at cost basis. This is included in the table above as the shared services recovery.
[6] Effective 1 May 2020 Mr Hoskins cash salary has been reduced to $260,000.

(g) Other KMP transactions

Mr. Knee is Director of Superior Lake Resources Limited an ASX listed Company that has a Shared Services Agreement with the Company. Under this arrangement the Company provides company secretarial, accounting and administration services. Payments made under these arrangements for the year are set out below.

	2021	2020
	$	$
Related party transactions		
Receipts from Superior Lake Resources Limited (ex-GST)	102,955	278,200
Amounts outstanding at 30 June	5,574	-

(h) Additional statutory information

Relative proportions of fixed and variable remuneration expense

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense above:

Directors' report

Name	2021		2020	
	Fixed remuneration	At risk remuneration - STI / LTI	Fixed remuneration	At risk remuneration - STI / LTI
Managing Director				
P Hoskins	63%	27%	100%	-
Other KMP				
C van Wijk	43%	57%	-	-
S McKenzie	82%	18%	100%	-
C Knee	81%	19%	100%	-

Performance based remuneration granted and forfeited

The remuneration of KMPs was approved by the Board in August 2021. As at 30 June 2021 KMP had 3,775,928 options with performance criteria relating to the development of the Chilalo Graphite Project. On 30 June 2021 the Board resolved that the performance criteria for these options was no longer capable of being satisfied and also inconsistent with the Company's longer term gold strategy. The options were therefore lapsed.

Options

The terms and conditions of each grant of options affecting remuneration in the current or a future reporting period are as follows:

Grant date	Vesting date	Expiry date	Exercise price	Value per option at grant date	Performance achieved	% Vested
20-Jul-20	29-Jul-20	29-Jul-24	\$0.035	\$0.0178	N/A	100%
20-Jul-20	29-Jul-20	29-Jul-24	\$0.060	\$0.0160	N/A	100%
20-Jul-20	29-Jul-20	29-Jul-24	\$0.100	\$0.0142	N/A	100%
27-Aug-21	1-Jul-22	27-Aug-24	\$0.000	\$0.0560	-	-
27-Aug-21	1-Jul-22	27-Aug-26	\$0.000	\$0.0560	-	-

Directors' report

The number of options over ordinary shares in the Company provided as remuneration to KMP is shown below. The options carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Company.

Reconciliation of options 2021	Balance at the start of the period		Granted as compensation	Exercise price	Vested		Exercised	Forfeited / expired		Balance at end of period	
Name and Grant dates	Vested	Unvested			Number	%		Number	%	Vested	Unvested
S Dennis											
20-Jul-20	-	-	1,150,000	$0.035	1,150,000	100	-	-	-	1,150,000	-
20-Jul-20	-	-	575,000	$0.060	575,000	100	-	-	-	575,000	-
20-Jul-20	-	-	575,000	$0.100	575,000	100	-	-	-	575,000	-
A Pardey											
20-Jul-20	-	-	2,250,000	$0.035	2,250,000	100	-	-	-	2,250,000	-
20-Jul-20	-	-	1,125,000	$0.060	1,125,000	100	-	-	-	1,125,000	-
20-Jul-20	-	-	1,125,000	$0.100	1,125,000	100	-	-	-	1,125,000	-
P Hoskins											
21-Nov-17	-	596,261	-		-	-	-	(596,261)	100	-	
26-Nov-18	105,455	-	-		-	-	(105,455)	-	-	-	-
26-Nov-18	-	580,000	-		-	-	-	(580,000)	100	-	-
14-Nov-19	130,093	-	-		-	-	(130,093)	-	-	-	-
14-Nov-19	-	549,647	-		-	-	-	(549,647)	100	-	-
14-Nov-19	-	755,764	-		-	-	-	(755,764)	100	-	-
20-Jul-20	-	-	5,125,000	$0.035	5,125,000	100	-	-	-	5,125,000	-
20-Jul-20	-	-	2,562,500	$0.060	2,562,500	100	-	-	-	2,562,500	-
20-Jul-20	-	-	2,562,500	$0.100	2,562,500	100	-	-	-	2,562,500	-
C van Wijk											
20-Jul-20	-	-	4,375,000		4,375,000	100	-	-	-	4,375,000	-
20-Jul-20	-	-	2,187,500		2,187,500	100	-	-	-	2,187,500	-
20-Jul-20	-	-	2,187,500		2,187,500	100	-	-	-	2,187,500	-
S McKenzie											
27-Sept-17	-	400,934	-		-	-	-	(400,934)	100	-	-
13-Dec-18	35,454	-	-				(35,454)		100	-	-
13-Dec-18	-	390,000	-		-	-	-	(390,000)	100	-	-
13-Dec-18	42,545	-	-		-	-	(42,545)	-	-		
24-Jul-19	-	83,091	-		-	-	-	(83,091)	100	-	-
24-Jul-19	-	507,779	-		-	-	-	(507,779)	100	-	-
20-Jul-20	-	-	1,575,000	$0.035	1,575,000	100	-	-	-	1,575,000	-

Directors' report

Reconciliation of options 2021	Balance at the start of the period		Granted as compensation	Exercise price	Vested		Exercised	Forfeited / expired		Balance at end of period	
Name and Grant dates	Vested	Unvested			Number	%		Number	%	Vested	Unvested
20-Jul-20	-	-	558,462	$0.060	558,462	100	-	-	-	558,462	-
20-Jul-20	-	-	558,462	$0.100	558,462	100	-	-	-	558,462	-
C Knee											
27-Sept-17	-	349,532	-		-	-	-	(349,532)	100	-	-
13-Dec-18	32,727	-	-				(32,727)				
13-Dec-18	-	360,000	-		-	-	-	(360,000)	100	-	-
13-Dec-18	38,130	-	-		-	-	(38,130)	-	-	-	-
24-Jul-19	-	472,353	-		-	-	-	(472,353)	100	-	-
24-Jul-19	-	77,294	-		-	-	-	(77,294)	100	-	-
20-Jul-20	-	-	1,575,000	$0.035	1,575,000	100	-	-	-	1,575,000	-
20-Jul-20	-	-	558,462	$0.060	558,462	100	-	-	-	558,462	-
20-Jul-20	-	-	558,462	$0.100	558,462	100	-	-	-	558,462	-

Directors' report

Shareholdings

Name	Balance at start of period	Received during the period on the exercise of options	Other changes during the period[1]	Balance at end of the period
S Dennis	773,799	-	3,273,799	4,047,598
P Hoskins	877,728	235,548	6,348,052	7,461,328
A Pardey	-	-	2,000,000	2,000,000
C van Wijk	-	-	412,500	412,500
S McKenzie	335,971	77,999	903,048	1,317,018
C Knee	226,822	70,857	155,965	453,644

[1] Other changes during the period was the participation of KMP in capital raisings or on-market purchases. These were not received as remuneration.

None of the shares in the above table are held nominally by the Directors or by any of the other KMP.

Loans to KMP

There were no loans made to Directors or KMP.

Reliance on external remuneration consultants

In performing its role, the Board may seek advice from independent remuneration consultants where appropriate, to make recommendations as to the nature and amount of remuneration payable to KMPs. Remuneration consultants are engaged by, and report directly to the Board. In 2021, the Board did not engage an independent remuneration consultant to review the Company's remuneration structure. Having considered publicly available information on the remuneration practices of peer group companies and, the Board believes that current remuneration arrangements are appropriate.

Shares under option

Unissued ordinary shares

Shares under option held by Directors and KMP that formed part of remuneration at the date of this report are as follows:

Date options granted	Expiry date	Exercise price	Number under option
20-Jul-20	20-Jul-23	$0.035	16,050,000
20-Jul-20	20-Jul-23	$0.06	8,025,000
20-Jul-20	20-Jul-23	$0.10	8,025,000
27-Aug-21	31-Jul-24	Nil	1,116,924
27-Aug-21	31-Jul-26	Nil	1,116,924

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Voting of shareholders at last year's Annual General Meeting

The Group received 99.1% votes for its remuneration report for the 2020 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

END OF REMUNERATION REPORT (audited)

Directors' report

Insurance of officers and indemnities

Marvel's constitution allows the Company to indemnify each Director or officer of the Company, to the extent permitted by law, against liability incurred in or arising out of the conduct of the business of the Company or the discharge of the duties of the Directors or officers.

The Group has granted indemnities under deeds of indemnity with its current Directors and officers. In conformity with the constitution, each deed of indemnity indemnifies the relevant Director or officer to the full extent permitted by law. Where applicable, each deed of indemnity indemnifies the relevant Director, officer or employee to the fullest extent permitted by law for liabilities incurred whilst acting as a director, officer or employee of the Company, any of its related bodies corporate and any outside entity, where such an office is held at the request of the Company.

The Group has a policy that it will, as a general rule, support and hold harmless an employee who, while acting in good faith, incurs personal liability to others as a result of working for the Group.

No indemnity has been granted to an auditor of the Group in their capacity as auditors of the Group.

During the period, the Group paid insurance premiums (inclusive of fees and charges) in respect of directors' and officers' liability insurance of $200,300 (2020: $127,650) (ex goods and services tax (**GST**)).

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Proceedings on behalf of the Company

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

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

Non-audit services

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

Details of the amounts paid or payable to the auditor (BDO Audit (WA) Pty Ltd) for audit and non-audit services provided during the period are set out in note 25.

The Board has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

Directors' report

Auditor independence

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 26.

Annual Statement of Ore Reserves and Mineral Resources

Chilalo Project: Ore Reserve and Mineral Resource Estimate

Domain	Classification	Zone	Million Tonnes (Mt)	TGC (%)	Contained Graphite (Kt)
High-Grade	Probable Reserve	Main	5.3	10.9	576
Total Ore Reserve	**Probable Reserve**	**Main**	**5.3**	**10.9**	**576**
High-Grade	Indicated	Main	9.2	10.6	982
		North East	1.0	9.5	100
		All	**10.3**	**10.5**	**1,082**
	Inferred	Main	7.4	9.5	704
		North East	2.3	8.8	205
		All	**9.8**	**9.3**	**908**
Total High-Grade	**Indicated + Inferred**	**All**	**20.1**	**9.9**	**1,991**
Low-Grade	Inferred	Main	37.8	3.4	1,282
		North East	9.5	4.1	394
		All	**47.3**	**3.5**	**1,677**
High-Grade + Low-Grade	**Indicated + Inferred**	**All**	**67.3**	**5.4**	**3,667**

Mineral Resources are inclusive of Ore Reserves. The Mineral Resource was estimated within constraining wireframe solids using a core high-grade domain defined above a nominal 5% TGC cut-off within a surrounding low-grade zone defined above a nominal 2% TGC cut-off. The resource is quoted from all classified blocks above a lower cut-off of 2% TGC within these wireframe solids. Differences may occur due to rounding.

Tabakorole Gold Project: Mineral Resource Estimate

	Indicated			Inferred			Total		
	Mt	Au (g/t)	koz (Au)	Mt	Au (g/t)	koz (Au)	Mt	Au (g/t)	koz (Au)
Oxide	1.0	1.3	40	1.5	1.3	60	2.4	1.3	100
Fresh	6.3	1.2	250	15.1	1.2	560	21.5	1.2	810
Total	**7.3**	**1.2**	**290**	**16.6**	**1.2**	**620**	**23.9**	**1.2**	**910**

Reported at a cut-off grade of 0.6 g/t Au, differences may occur due to rounding.

Competent persons' statements

Mineral Resources – Tabakorole Gold Project

The information in the annual report report that relates to the Mineral Resources is based on information compiled by Mr Brian Wolfe, Principal Consultant of International Resource Solutions Pty Ltd which provides consulting services to the Company. Mr. Wolfe is a Member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which has been 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 (JORC Code). An entity associated with Mr Wolfe has a minor shareholding in the company. Mr. Wolfe consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to exploration results at Tabakorole is based on information compiled by the Company and reviewed by Mr Chris van Wijk, in his capacity as an Executive Director - Exploration of Marvel Gold Limited. Mr. van Wijk is a Member of the AUSIMM and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 JORC Code. Mr. van Wijk consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears

Directors' report

Competent Person's Statement - Chilalo Ore Reserve Estimate

The information in this Prospectus that relates to the Chilalo Ore Reserve Estimate is based on information compiled by Mr Anoop Antu Kachappilly and reviewed by Mr Karl van Olden, both employees of CSA Global at the time the Chilalo Ore Reserve Estimate was made. Mr van Olden takes overall responsibility for the information as Competent Person. Mr van Olden is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person as defined in the JORC Code. The Competent Person, Karl van Olden, has reviewed the Chilalo Ore Reserve Estimate and given permission for the publication of this information in the form and context in which it appears.

Competent Person's Statement - Chilalo Mineral Resource Estimate

The information in this Prospectus that relates to the Chilalo Mineral Resource Estimate is based on information compiled by Mr Grant Louw, under the direction and supervision of Dr Andrew Scogings. Mr Louw was a full-time employee of CSA Global and Dr Scogings was an Associate of CSA Global at the time the Chilalo Mineral Resource Estimate was made. Dr Scogings takes overall responsibility for Chilalo Mineral Resource Estimate. Dr Scogings is a Member of both the Australian Institute of Geoscientists and Australasian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person as defined in the JORC Code. Dr Scogings consents to the inclusion of such information in this Prospectus in the form and context in which it appears.

Ore Reserves and Mineral Resources Governance

Marvel reviews its Mineral Resource and Ore Reserve estimates on an annual basis. The Annual Statement of Mineral Resources and Ore Reserves is prepared in accordance with the JORC Code 2012 and the ASX Listing Rules.

Competent Persons named by the Company are members of the Australian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists and qualify as Competent Persons as defined under the JORC Code 2012.

The Company engages external consultants and Competent Persons to prepare and calculate estimates of its Mineral Resources and Ore Reserves. These estimates and underlying assumptions are reviewed by the Directors and management for reasonableness and accuracy. The results of the Mineral Resource and Ore Reserve estimates are then reported in accordance with the JORC Code 2012 and the ASX Listing Rules. Where material changes occur to a project during the period, including the project's size, title, exploration results or other technical information, previous resource estimates and market disclosures are reviewed for completeness. The Company reviews its Mineral Resources and Ore Reserves as at 30 June each year and where a material change has occurred in the assumptions or data used in previously reported Mineral Resources and Ore Reserves, a revised estimate will be prepared as part of the annual review process.

This report is made in accordance with a resolution of the Directors.

Stephen Dennis
Chairman of the Board
PERTH
On the 30th day of September 2021

Corporate governance statement

Marvel and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Marvel has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

The 2021 corporate governance statement is dated as at 30 June 2021 and reflects the corporate governance practices in place throughout the 2021 financial year. The 2021 corporate governance statement was approved by the Board on 30 September 2021. A description of the Group's current corporate governance practices is set out in the Group's corporate governance statement which can be viewed on the Company’s website at www.marvel gold.com.au/corporate-governance/.

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DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF MARVEL GOLD LIMITED

As lead auditor of Marvel Gold Limited for the year ended 30 June 2021, 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 Marvel Gold Limited and the entities it controlled during the period.

Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 30 September 2021

Consolidated statement of profit or loss and other comprehensive income

for the period ended 30 June 2021

	Notes	30 June 2021 $	30 June 2020 $
Continuing operations			
Government incentives, rebates and grants	1(d)	531,318	436,948
Other income	1(a)	800,568	450,103
Fair value gain on loan notes	12	1,307,349	-
Exploration and evaluation expenses		(6,276,412)	(3,461,198)
Corporate and administration expenses		(1,285,607)	(1,238,772)
Business development and marketing		(326,557)	(698,332)
Finance costs	1(c)	(2,068,654)	(1,949,048)
Employee benefits	1(b)	(1,075,132)	(1,176,126)
Share based payments	14	(593,258)	149,584
Other expenses		(10,686)	-
Loss before income tax		**(8,997,070)**	**(7,486,841)**
Income tax benefit	3	-	-
Loss for the period		**(8,997,070)**	**(7,486,841)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		111,684	17,300
Total comprehensive loss for the period		**(8,885,386)**	**(7,469,541)**
Net loss is attributable to:			
Owners of Marvel Gold Limited		(8,997,070)	(7,486,841)
Total comprehensive loss is attributable to:			
Owners of Marvel Gold Limited		(8,885,386)	(7,469,541)
Earnings per share attributable to owners of the Company		$	$
Basis EPS	26	(0.02)	(0.07)
Diluted EPS	26	(0.02)	(0.07)

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

Consolidated statement of financial position
as at 30 June 2021

	Notes	30 June 2021 $	30 June 2020 $
ASSETS			
Current assets			
Cash and cash equivalents	4	1,506,958	304,633
Trade and other receivables	5	650,914	142,900
Sub-total current assets		**2,157,872**	**447,533**
Assets held for sale	8	5,000,000	-
Total current assets		**7,157,872**	**447,533**
Non-current assets			
Property, plant and equipment	6	383,728	69,072
Exploration and evaluation	7	2,657,685	5,000,000
Total non-current assets		**3,041,412**	**5,069,072**
Total assets		**10,199,284**	**5,516,605**
LIABILITIES			
Current liabilities			
Trade and other payables	9	(1,664,043)	(437,200)
Shareholder funds received in advance		-	(35,000)
Provisions	10	(68,160)	(198,328)
Loans and borrowings	11	-	(8,748,377)
Sub-total current liabilities		**(1,732,203)**	**(9,418,905)**
Liabilities directly associated with assets held for sale	12	(8,730,035)	-
Total current liabilities		**(10,462,238)**	**(9,418,905)**
Non-current liabilities			
Provisions	10	(102,858)	(73,641)
Total non-current liabilities		**(102,858)**	**(73,641)**
Total liabilities		**(10,565,095)**	**(9,492,546)**
Net assets / (liabilities)		**(365,811)**	**(3,975,941)**
EQUITY			
Share capital	13	31,134,472	20,272,214
Reserves	14	3,061,723	1,316,781
Retained earnings	15	(34,562,006)	(25,564,936)
Total equity/(deficiency)		**(365,811)**	**(3,975,941)**

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

Consolidated statement of changes in equity

for the period ended 30 June 2021

	Notes	Contributed equity	Foreign currency translation reserve	Share based payment reserve	Retained earnings / (Accumulated losses)	Total equity
		$	$	$	$	$
Balance at 30 June 2019		**16,832,075**	**(41,024)**	**1,490,089**	**(18,078,095)**	**203,045**
Total comprehensive loss for the period:						
Loss for the period		-	-	-	(7,486,841)	(7,486,841)
Foreign exchange translation differences		-	17,300	-	-	17,300
Total comprehensive loss for the period		-	17,300	-	(7,486,841)	(7,469,541)
Transactions with owners in their capacity as owners:						
Issue of shares net of transaction costs		3,440,139	-	-	-	3,440,139
Employee share schemes - value of employee services		-	-	(149,584)	-	(149,584)
Balance at 30 June 2020		**20,272,214**	**(23,724)**	**1,340,505**	**(25,564,936)**	**(3,975,941)**
Total comprehensive loss for the period:						
Loss for the period		-	-	-	(8,997,070)	(8,997,070)
Foreign exchange translation differences		-	111,684	-	-	111,684
Total comprehensive loss for the period		-	111,684	-	(8,997,070)	(8,885,386)
Transactions with owners in their capacity as owners:						
Issue of shares net of transaction costs		10,012,258	-	-	-	10,012,258
Shares issued to acquire project		700,000	-	-	-	700,000
Shares issued to financier		150,000	-	-	-	150,000
Deferred share consideration for asset acquisition	7	-	-	1,040,000	-	1,040,000
Employee share schemes - value of employee services		-	-	593,258	-	593,258
Balance at 30 June 2021		**31,134,472**	**87,960**	**2,973,763**	**(34,562,006)**	**(365,811)**

The above consolidated statement of changes in equity should be read in conjunction with the notes to the financial statements.

Consolidated statement of cash flows

for the period ended 30 June 2021

	Notes	30 June 2021 $	30 June 2020 $
Cash flows from operating activities			
Payments to suppliers and employees		(2,051,727)	(1,567,498)
Payments for business development and marketing		(497,413)	(553,296)
Payment of exploration expenditure		(5,366,183)	(3,664,566)
Other income received		-	1,702
Receipts from government incentives, rebates and grants		531,318	436,948
Net cash (outflow) from operating activities	16	**(7,384,005)**	**(5,346,710)**
Cash flows from investing activities			
Payments for the acquisition of tenements		(862,379)	-
Payment for property, plant and equipment		(409,229)	(15,495)
Net cash (outflow) from investing activities		**(1,271,608)**	**(15,495)**
Cash flows from financing activities			
Proceeds from the issue of interim loan notes		-	1,358,576
Proceeds from the issue of ordinary shares		11,067,048	3,452,409
Shareholder funds received in advance		-	35,000
Share issue transaction costs		(795,096)	(407,070)
Net cash flow from financing activities		**10,271,952**	**4,438,915**
Net increase / (decrease) in cash and cash equivalents		**1,616,339**	**(923,290)**
Cash and cash equivalents at the beginning of the period		304,633	1,264,791
Effects of exchange rate changes on cash and cash equivalents		(414,014)	(36,868)
Cash and cash equivalents at the end of the period	4	**1,506,958**	**304,633**

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

Notes to the financial statements

1. Income and expenses

(a) Other income

	2021	2020
	$	$
Recharges	423,184	448,401
Foreign exchange gain	376,318	-
Other income	1,066	1,702
	800,568	**450,103**

The Group was a party to a Shared Services Agreement with Matador Mining Limited, Lotus Resources Limited, Tanga Resources Limited, Cradle Resources Limited and Superior Lake Resources Limited under which the Company shared certain costs. During the year, Executives Mr McKenzie and Mr Knee spent a portion of their time working for the above-mentioned companies, with this time recharged by the Group on an at cost basis.

(b) Employee benefits

	2021	2020
	$	$
Salaries	1,265,156	1,205,741
Salaries – Technical and exploration[1]	(272,335)	(145,589)
Superannuation	73,890	87,559
Changes in leave provisions	8,420	28,415
	1,075,132	**1,176,126**

[1]Employee expenses above include all employee expenses of all departments in the Group. On the face of the Consolidated statement of profit or loss and other comprehensive income, technical and exploration staff wages of $272,335 (2020: $145,589) are included as exploration expenses. Employee benefits expense on the face of the statements therefore includes only corporate and administrative staff.

(c) Finance costs

	2021	2020
	$	$
Interest expense	2,009,154	1,882,720
Other finance costs	59,500	66,328
	2,068,654	**1,949,048**

Other finance costs include a fee payable to Citi Bank Hong Kong for the provision of agency and trustee services. Refer to note 11 and 12 for a reconciliation of the Groups interest bearing liabilities.

(d) Government incentives and rebates

	2021	2020
	$	$
Research and development rebate	446,924	436,948
State government COVID cash boost grant	84,394	-
	531,318	**436,948**

Notes to the financial statements

2. Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision makers, being the Directors. The Group's reportable segments in accordance with AASB 8 are as follows:

- Exploration – exploration carried out in Mali;
- Exploration – exploration carried out in Tanzania; and
- Corporate – management of corporate affairs.

The segments have applied the same accounting policies as applied to the Group and disclosed in note 28 of these financial statements.

	30-Jun-21				30-Jun-20		
	Exploration Tanzania $	Exploration Mali $	Corporate $	Total $	Exploration Tanzania $	Corporate $	Total $
Other income	-	-	800,568	800,568	-	450,103	450,103
Fair value adjustment to loan	-	-	1,307,349	1,307,349			
Research and development rebate	-	-	531,318	531,318	-	436,948	436,948
Total income	**-**	**-**	**2,369,235**	**2,639,235**	**-**	**887,051**	**887,051**
Depreciation and amortisation	(21,347)	-	(73,226)	(94,573)	(25,788)	(29,431)	(55,219)
Finance costs	-	-	(2,068,654)	(2,068,654)	-	(1,949,048)	(1,949,048)
Share based payments	-	-	(593,258)	(593,258)	-	149,583	149,583
Exploration expenses	(266,354)	(6,010,057)	-	(6,276,411)	(3,461,198)	-	(3,461,198)
Other expenses	(166,173)	(132,685)	(2,304,550)	(2,603,408)	(2,377,165)	(680,845)	(3,058,010)
Segment loss	**(453,874)**	**(6,142,742)**	**(2,400,455)**	**(8,997,070)**	**(5,864,151)**	**(1,622,690)**	**(7,486,841)**
Segment assets	**5,058,286**	**2,657,685**	**2,483,314**	**10,199,284**	**5,097,768**	**418,837**	**5,516,605**
Segment liabilities	**(78,500)**	**(4,774)**	**(11,721,822)**	**(11,805,095)**	**(27,466)**	**(9,465,080)**	**(9,492,546)**
Additions to PP&E	**-**	**367,119**	**45,212**	**412,331**	**-**	**10,299**	**10,299**

3. Income tax expense

The Company has total carried forward tax losses of $17,152,826 (2020: $14,485,258) available for offset against future assessable income of the Company. The net deferred tax asset attributable to the residual tax losses of $4,717,027 (2020: $3,983,446) has not been brought to account until convincing evidence exists that assessable income will be earned of a nature and amount to enable such benefit to be realised.

4. Cash and cash equivalents

	2021 $	2020 $
Cash at bank	1,506,958	304,633
	1,506,958	**304,633**

Refer to note 17 for the Group's exposure to interest rate and credit risk.

Notes to the financial statements

5. Trade and other receivables

	2021 $	2020 $
Accounts receivable	50,840	94,803
Other receivables	581,049	30,917
Prepayments	19,025	17,180
	650,914	**142,900**

Of the amount included in other receivables, $526,248 relates to IPO related costs the Company has paid on behalf of Evolution, which as at 30 June 2021 was a wholly owned subsidiary of the Company. Upon successful spin out and IPO of Evolution, these amounts are repayable in cash.

6. Property, plant and equipment

Non-current	**Plant and equipment $**	**Furniture and fittings $**	**Total $**
At 30 June 2021			
Cost	482,253	162,931	645,184
Accumulated depreciation	(162,583)	(98,873)	(261,456)
Net book amount	**319,670**	**64,058**	**383,728**
Period ended 30 June 2021			
Opening net book amount	23,855	45,217	69,072
Additions	367,119	45,212	412,331
Disposal	-	(9,098)	(9,098)
Foreign exchange movement	(9,065)	15,060	5,995
Depreciation charge	(62,240)	(32,333)	(94,573)
Closing net book amount	**319,670**	**64,058**	**383,728**

Non-current	**Plant and equipment $**	**Furniture and fittings $**	**Total $**
At 30 June 2020			
Cost	125,157	120,855	246,012
Accumulated depreciation	(101,302)	(75,638)	(176,940)
Net book amount	**23,855**	**45,217**	**69,072**
Period ended 30 June 2020			
Opening net book amount	48,139	64,741	112,880
Additions	-	10,299	10,299
Disposal	-	(22,149)	(22,149)
Foreign exchange movement	3,325	19,936	23,261
Depreciation charge	(27,609)	(27,610)	(55,219)
Closing net book amount	**23,855**	**45,217**	**69,072**

Notes to the financial statements

7. Exploration and evaluation expenditure

	2021 $	2020 $
(a) Reconciliation of exploration and evaluation expenditure		
Exploration and evaluation acquisition costs – Tanzania	5,000,000	5,000,000
Exploration and evaluation acquisition costs – Mali	1,490,577	-
Exploration and evaluation acquisition costs – Mali Oklo JV (see note 7(a) below)	1,167,108	-
Transferred to assets held for sale (see note 8)	(5,000,000)	-
Carrying amount at the end of the period	**2,657,685**	**5,000,000**

During 2021, the Company entered into a joint venture agreement on the Tabakorole and Lakanfla gold projects with Altus Strategies Inc. The Company has various earn in exploration requirements (as announced on the ASX on 17 June 2020) to earn up to 80% interest in the projects. A number of payments were required for the initial acquisition and as the Company progresses through the joint venture stages including:

- Stage 1 – On 4 August 2020, the Company paid US$450,000 in shares to acquire its initial joint venture interests.
- Stage 2 – On 17 December 2020, the Company made a US$200,000 payment to progress to stage 2 of the Tabakorole JV.
- Stage 3 – On 25 February 2021 the Company made a US$150,000 payment to progress to stage 3 of the Tabakorole JV.

The Company also entered into an option agreement with SOMICO over the Sakaar exploration permit to earn up to 80% dependent on completion of three stage of various exploration targets. The Company reimbursed SOMICO $21,958 for permit application fees.

(a) Acquisition accounting – Oklo JV

During 2021, the Company also entered into a joint venture agreement with Oklo Resources Limited on its South Mali projects. The Company completed this transaction on 4 January 2021 earning 80% in the joint venture by paying cash consideration of $200,000. The Company anticipates issuing 20,000,000 shares to Oklo once certain tenements are renewed. The value of the share consideration has been assessed at the company shares price at the date of completion being $0.052 per share or $1,040,000 in total. This amount has been recorded in the share based payment reserve pending the final issue of shares.

A further 20,000,000 Company shares will be paid as consideration dependent on further milestones.

Tranche 1 - The Company will issue 10,000,000 Marvel shares to Oklo within 5 business days of Marvel announcing:

- a JORC 2012 Mineral Resource at the Yanfolila or Kolondieba projects of any resource category of not less than 500,000 oz of gold or gold equivalent at a minimum grade of 1 g/t; or
- a JORC 2012 Mineral Resource at the Sirakourou, Solabougouda and Solabougouda South licences (now part of the Tabakorole project) of any resource category of not less than 350,000 oz of gold or gold equivalent at a minimum grade of 1 g/t.

Tranche 2 - The Company will issue a further 10,000,000 Marvel shares to Oklo within 5 business days of Marvel announcing:

- a JORC 2012 Mineral Resource at the Yanfolila and Kolondieba projects of any resource category of not less than 1,000,000 oz of gold or gold equivalent at a minimum grade of 1 g/t; or
- a JORC 2012 Mineral Resource at the Sirakourou, Solabougouda and Solabougouda South (now part of the Tabakorole project) licences of any resource category of not less than 700,000 oz of gold or gold equivalent estimated at a minimum grade of 1 g/t.

The Tranche 1 and 2 shares have been assessed to have a zero probability of being issued at acquisition date. Given the acquired tenements are at a very early stage with no confirmed JORC Resources, the Company has assessed that a zero probability is appropriate.

Notes to the financial statements

7. Exploration and evaluation expenditure (continued)

(a) Acquisition accounting – Oklo JV (continued)

The fair value of assets and liabilities recognised as a result of the acquisition are outlined below:

	Fair value
	$
Cash and cash equivalents	57,681
Trade and other receivables	25,469
Exploration and evaluation asset	1,167,108
Trade and other payables	(10,258)
Net assets acquired	**1,240,000**
Consideration	
Cash	200,000
Shares to be issued on completion of tenement renewals	1,040,000
Total	**1,240,000**

8. Assets held for sale

	2021	2020
	$	$
Chilalo Graphite Project	5,000,000	-
	5,000,000	**-**

The Company's Chilalo Graphite Project in Tanzania has been transferred to held for sale as it is now likely this asset will be disposed of by the Company via spin off and IPO of the Company's wholly owned subsidiary Evolution. Subsequent to year end a Share Exchange Agreement was executed under which the Company agreed to sell the Chilalo Project to Evolution in exchange for $10 million of Evolution shares (representing approximately 31% of Evolution on a post-ASX listing, undiluted basis) and cash of $2 million (or, if PL 11034/2017 is not reinstated on or before 31 December 2021, then $1 million), subject to satisfaction of the pre-conditions to the Spin-out of Evolution.

9. Trade and other payables

	2021	2020
	$	$
Creditors	1,127,195	306,099
Accruals	438,887	30,001
Other payables	97,961	101,100
	1,664,043	**437,200**

Notes to the financial statements

10. Provisions

	2021 $	2020 $
Current		
Provision for annual leave	68,160	198,328
	68,160	**198,328**
Non-current		
Provision for long service leave	102,858	73,641
	102,858	**73,641**

11. Loans and borrowings

	2021 $	2020 $
Current		
Interim Loan Notes drawn	-	6,551,240
Effective interest capitalised	-	2,001,106
Foreign currency movement	-	196,031
	-	**8,748,377**

Net debt reconciliation

	Loans and Borrowings $	Cash $	Net debt $
30 June 2019	**(5,799,825)**	**1,264,791**	**(4,535,034)**
Cashflows	(1,358,576)	(923,290)	(2,281,866)
Capitalised fees and interest	(1,487,919)	-	(1,487,919)
Foreign exchange differences	(102,057)	(36,868)	(138,925)
30 June 2020	**(8,748,377)**	**304,633**	**(8,443,744)**
Capitalised fees and interest	(98,211)	-	98,211
Loan balance as at 20 July 2021 prior to modification in terms	(8,846,588)	-	8,846,588
Reclassification – liabilities directly associated with assets classified as held for sale	8,846,588	(304,633)	(8,541,955)
20 July 2020	-	-	-

On 29 October 2018, the Company signed agreements for financing the development of its Chilalo Graphite Project with funds managed by global private investment firm Castlelake, L.P (**Castlelake**), which provided for a funding package of up to US$80 million subject to satisfaction of agreed conditions.

Under the funding package, the Company entered into a Loan Note Subscription Agreement (**LNSA**) to raise US$5 million from the issue of secured Interim Loan Notes. At the end of the year, the Company has fully drawn the US$5 million Interim Loan Notes.

Notes to the financial statements

11. Loans and borrowings (continued)

On 17 June 2020, the Company announced Castlelake had decided not to proceed with the Senior Funding Package. As a result, the Company agreed with Castlelake to restructure the debt during the year which included:

- Confining the Financier's security to Chilalo Project related assets and removing the Castlelake's legal recourse to the Company;
- Paying an amendment fee of 7.5% of the debt capitalised into the balance of the loan notes;
- Paying a security release fee of US$100,000;
- Issuing 7.5 million shares of the Company;
- Extending the due date of the debt by two years to October 2022;
- Undertaking steps to either sell the Chilalo Project or refinance the Castlelake debt amount;
- Should the Chilalo sales process yield cash proceeds that exceed the LNSA debt, the Company will receive the excess proceeds; and
- If the Chilalo process does not result in repayment of the LNSA by 29 October 2022, Castlelake will take control of the Chilalo Project with no further recourse to the Company.
- During 2021 the Company signed a further Deed of Agreement with Castlelake which caps the loan including capitalised interest at $9.5 million should the Company successfully IPO the Chilalo Graphite Project prior to 30 November 2021 and they are repaid fully from the proceeds of the IPO raise.

On 20 July 2020, the Company's shareholders voted to approve the above amended terms which formalised the amended agreement.

As outlined above the terms of the Interim Loan Notes previously issued by the Company were materially changed during the year including but not limited to extending the term of the Interim Loan Notes by two years and accruing a 7.5% restructuring fee. Under the requirements of AASB 9 - Financial Instruments the accounting for modification of a financial liability depends on whether the modification is a substantial or a non-substantial modification. The modification is substantial where the present value of the restructured cash flows differ from the carrying value of the debt by more than 10%. The Company has accounted for the modification as substantial. In making this assessment, the Company applied a discount rate of 30% to the present value of restructured cashflow. The Company is the only ASX listed graphite company that has secured debt and therefore the discount rate used to assess fair value was the effective interest rate at the date of amendment being the only reference to the fair value of the cost of debt.

12. Liabilities directly associated with assets classified as held for sale

	2021	2020
Current	**$**	**$**
Interim Loan Notes drawn	(6,661,275)	-
Borrowing costs	(150,000)	-
Fair value gain on modification of terms	1,307,349	-
Effective interest capitalised	(4,010,260)	-
Foreign currency movement	784,151	-
	(8,730,035)	**-**

On the 27 April 2021 the Company entered in a Deed of Consent with the Company's financier in relation to the Loan Notes. The Deed of Consent facilitates fixing the balance of the loan at $9.5 million, should the IPO of Evolution occur prior to 30 November 2021. Refer to note 8 for details of the IPO. Given the modification of the loan terms is contingent on the IPO the fair value of the loan has not been modified.

Notes to the financial statements

12. Liabilities directly associated with assets classified as held for sale (continued)

Net debt reconciliation

	Loans and Borrowings $	Cash $	Net debt $
30 June 2020	-	-	-
Reclassification – liabilities directly associated with assets classified as held for sale from Loans and Borrowings	(8,846,588)	304,633	(8,541,955)
Cashflows	-	1,192,089	1,192,089
Fair value gain on the modification of terms	1,307,349	-	1,307,349
Capitalised interest	(2,009,154)	-	(2,009,154)
Borrowing costs	150,000	-	150,000
Foreign exchange differences	668,358	10,236	678,594
30 June 2021	**(8,730,035)**	**1,506,958**	**(7,223,077)**

The Company's Chilalo Graphite Project in Tanzania has been transferred to held for sale as it is now likely this asset will be disposed of by the Company via spin off and IPO of the Company's wholly owned subsidiary Evolution. This has resulted in the Loan Notes on issue being reclassified from loans and borrowings to the current Liabilities directly associated with assets classified as held for sale. This is required as the Loan Note will be spun out with Evolution and the loans are also secured by the Chilalo Graphite Project which is also being spun out in the transaction.

13. Share capital

	2021 Shares	2021 $	2020 Shares	2020 $
(a) Issued and paid up capital				
Ordinary fully paid shares	**508,644,058**	**31,134,472**	115,011,555	20,272,214
(b) Movement in ordinary shares				
Opening balance	115,011,555	20,272,214	88,145,208	16,832,075
Issue of equities				
Shares issued as consideration for annual leave	2,851,717	57,034	-	-
Shares issued as consideration for project acquisition	35,000,000	700,000	-	-
Shares issued to interim loan note holders	7,500,000	150,000	312,500	457,300
Issue of shares	348,280,786	10,750,231	26,553,847	3,389,909
Less: Transaction costs arising on share issues	-	(795,007)	-	(407,070)
Movement for the period	393,632,503	10,862,258	26,866,347	3,440,139
Closing balance	**508,644,058**	**31,134,472**	**115,011,555**	**20,272,214**

(c) Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of, and amounts paid on, shares held.

On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote. Upon a poll, each fully paid share has one vote.

Notes to the financial statements

14. Reserves

The following table shows a breakdown of the statement of financial position line item 'reserves' and the movements in these reserves during the period. A description of the nature and purpose of each reserve is provided below.

	Share based payments	Foreign currency translation	Total reserves
	$	$	$
At 30 June 2019	**1,490,089**	**(41,024)**	**1,449,065**
Translation of foreign subsidiaries	-	17,300	17,300
Other comprehensive income	-	17,300	17,300
Transactions with owners in their capacity as owners			
Employee share based payments expense	(149,584)	-	(149,584)
At 30 June 2020	**1,340,505**	**(23,724)**	**1,316,781**
Translation of foreign subsidiaries	-	111,684	111,684
Other comprehensive income	-	111,684	111,684
Transactions with owners in their capacity as owners			
Employee share based payments expense	593,258	-	593,258
Deferred share consideration for acquisition[1]	1,040,000	-	1,040,000
At 30 June 2021	**2,973,763**	**87,960**	**3,061,723**

[1] Refer to note 7(a).

(a) Nature and purpose of reserves

(i) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations as well as from the translation of the Company's net investment in a foreign subsidiary.

(ii) Share based payment reserve

The share-based remuneration reserve is used to recognise the fair value of options issued.

15. Retained earnings

	2021	2020
	$	$
Opening balance	(25,564,936)	(18,078,095)
Net loss for the period	(8,997,070)	(7,486,841)
Closing balance	**(34,562,006)**	**(25,564,936)**

Notes to the financial statements

16. Cash flow information

	2021 $	2020 $
(a) Reconciliation of operating loss after income tax to the net cash flows from operating activities:		
Loss for the period	(8,997,070)	(7,486,841)
Adjustments for:		
Depreciation	94,573	55,219
Non-cash employee benefits expense - share based payments	593,258	(149,583)
Non-cash fair value adjustment to loan	(1,307,349)	-
Non-cash costs of interim loan notes capitalised	2,068,654	1,920,140
Net exchange differences	(453,950)	122,889
Changes in operating assets and liabilities:		
Changes in trade and other receivables	(508,013)	175,565
Changes in provisions	(100,951)	28,573
Changes in trade and other payables	1,226,843	(12,672)
Net cash (outflow) from operating activities	**(7,384,005)**	**(5,346,710)**

(b) Non-cash investing and financing activities

As part of the financing arrangement outlined in note 12 the Company issued 312,500 shares to the Interim Loan Note holders as part of the terms of the financing transaction at inception. The Company also issued a further 7,500,000 shares as compensation for the renegotiation of terms set out in note 11.

17. Financial risk management

The Company and Group's activities expose it to a variety of financial risks, including market, foreign currency, credit and liquidity risk. For the Group, market risk includes:

- Interest rate risk; and
- Foreign exchange risk.

Financial risk management is carried out by the Group's Managing Director and Chief Financial Officer, in close co-operation with the Board. The Group obtains independent external advice as required to assist it in understanding and managing its exposures and risks.

The Group held the following financial instruments at reporting date:

	Note	2021 $	2020 $
Financial Assets			
Cash and cash equivalents	4	1,506,958	304,633
Trade and other receivables	5	650,914	142,900
Total Financial Assets		**2,157,872**	**447,533**
Financial Liabilities			
Trade and other payables	9	(1,664,043)	(437,200)
Loans and borrowings	11	-	(8,748,377)
Liabilities directly associated with assets classified as held for sale	12	(8,730,035)	-
Total Financial Liabilities		**(10,394,078)**	**(9,185,577)**

(a) Market risk

(i) Interest rate risk

The Group and the Company are exposed to interest rate volatility on deposits and loans. Deposits and loans at variable rates expose the Group and the Company to cash flow interest rate risk. Deposits and loans at fixed rates expose the Group to fair value interest rate risk.

Notes to the financial statements

17. Financial risk management (continued)

	Effective Average Interest Rate (%)	Variable Interest Rate $	Fixed Interest Rate $	Non-Interest Bearing $	Total $
2021 (consolidated)					
Financial Assets					
Cash and cash equivalents	0.01%	1,170,411	-	336,547	1,506,958
Trade and other receivables	0.00%	-	-	650,914	650,914
		1,170,411	**-**	**987,461**	**2,157,872**
Financial Liability					
Trade and other payables	0.00%	-	-	(1,664,043)	(1,664,043)
Liabilities directly associated with assets classified as held for sale	24.70%	-	(8,730,035)	-	(8,730,035)
		-	**(8,730,035)**	**(1,664,043)**	**(10,394,078)**
2020 (consolidated)					
Financial Assets					
Cash and cash equivalents	0.19%	230,376	-	74,257	304,633
Trade and other receivables	0.00%	-	-	142,900	142,900
		230,376	**-**	**217,157**	**447,533**
Financial Liability					
Trade and other payables	0.00%	-	-	(437,200)	(437,200)
Loans and borrowings	30.00%	-	(8,748,377)	-	(8,748,377)
		-	**(8,748,377)**	**(437,200)**	**(9,185,577)**

Sensitivity Analysis

The following tables summarise the sensitivity of the Group's financial assets to interest rate risk. Had the relevant variables, as illustrated in the tables, moved with all other variables held constant, post-tax loss and equity would have been affected as shown below.

		Interest Rate Risk -100 basis points (-1%)		Interest Rate Risk +100 basis points (+1%)	
	Carrying Amount $	Net Profit / (Loss) $	Equity $	Net Profit / (Loss) $	Equity $
2021 (consolidated)					
Financial Assets					
Cash and cash equivalents	1,170,411	(11,704)	(11,704)	11,704	11,704
	1,170,411	**(11,704)**	**(11,704)**	**11,704**	**11,704**
2020 (consolidated)					
Financial Assets					
Cash and cash equivalents	230,376	(2,304)	(2,304)	2,304	2,304
	230,376	**(2,304)**	**(2,304)**	**2,304**	**2,304**

(ii) Foreign exchange risk

The Group is exposed to fluctuations in foreign currencies arising from costs incurred in currencies other than the functional currency of the Company and Group entities.

The Group operates internationally and is primarily exposed to foreign exchange risk arising from currency exposures to the United States dollar and Tanzanian shilling.

Notes to the financial statements

17. Financial risk management (continued)

The Group has not formalised a foreign currency risk management policy and it holds only limited amounts of cash in foreign currencies at any point in time. The Group monitors foreign currency expenditure in light of exchange rate movements.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars was as follows.

Foreign currency balances	2021			2020	
	US Dollar	Tanzanian Shilling	CFA Franc	US Dollar	Tanzanian Shilling
Cash at bank	119,249	5,133	180,621	13,749	1,356
Trade receivables	-	27,198	-	-	16,039
Trade payables	(62,963)	(13,146)	-	(21,130)	(333)
Liabilities directly associated with assets classified as held for sale	(8,730,035)	-	-	(8,748,377)	-

Sensitivity analysis	10% Strengthening to the AUD		10% Weakening to the AUD	
	Equity $	Net Profit / (Loss) $	Equity $	Net Profit / (Loss) $
2021 (Consolidated)				
USD (10% movement)	(13,250)	(881,590)	10,841	1,077,499
TZS (10% movement)	1,277	467	(1,561)	(570)
XOF (10% movement)	-	16,420	-	(20,069)
2020 (Consolidated)				
USD (10% movement)	(1,923)	(798,831)	2,351	976,349
TZS (10% movement)	1,428	123	(1,745)	(151)

(b) Liquidity risk

The liquidity position of the Group is managed to ensure sufficient liquid funds are available to meet the Group's financial commitments in a timely and cost-effective manner.

The Group's treasury function continually reviews the Group's liquidity position, including cash flow forecasts, to determine the forecast liquidity position and maintain appropriate liquidity levels.

Contractual maturities of financial liabilities	Less than 1 year $	Between 1 and 2 years $	Total contractual cash flows $	Carrying amount $
2021 (Consolidated)				
Trade and other payables	1,664,043	-	1,664,043	1,664,043
Liabilities directly associated with assets classified as held for sale	8,730,035	-	8,730,035	8,730,035
	10,394,078	**-**	**10,394,078**	**10,394,078**
2020 (Consolidated)				
Trade and other payables	437,200	-	437,200	437,200
Loans and borrowings	9,759,920	-	9,759,920	8,748,377
	10,197,120	**-**	**10,197,120**	**9,185,577**

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

Notes to the financial statements

17. Financial risk management (continued)

(i) Cash at bank

The Group manages its credit risk on financial instruments, including cash, by only dealing with banks licensed to operate in Australia and a credit rating of AA or higher.

(ii) Trade and other receivables

The group operates in the mining exploration sector and does not have trade receivables from customer. It does however have credit risk arising from other receivables.

(iii) Exposure to credit risk

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

	Note	2021 $	2020 $
Financial Assets			
Cash and cash equivalents	4	1,506,958	304,633
Trade and other receivables	5	650,914	142,900
Total Financial Assets		**2,157,872**	**447,533**

(d) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement, or for disclosure purposes.

AASB 7 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

(b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices) (level 2); and

(c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The carrying amounts and estimated fair values of all the Group's financial instruments recognised in the financial statements are materially the same.

18. Capital management

(a) Risk management

The Group's policy is to maintain a strong capital base so as to ensure investor, creditor and market confidence and to sustain future development of the business.

The Company has welcomed equity investment from major stakeholders so that goals are aligned and there is a vested interest in the Group's success. Current stakeholders that are also shareholders include major suppliers for exploration, project management and feasibility studies advisors, corporate advisors, Directors, executives and employees.

The Company monitors its total shares on issue, market capitalisation and enterprise value on a regular basis so as to maintain a critical balance between having its strategy fully funded and minimising existing shareholder dilution.

Notes to the financial statements

18. Capital management (continued)

As disclosed in note 11, the Company incurred a debt during 2018 in the form of the Interim Loan Notes to help fund development of the Chilalo Project. The financier made a decision to not proceed with the senior funding arrangement. The Company had chosen to take on this debt as opposed to issuing additional shares so as to avoid excessive shareholder dilution at the Company's current market capitalisation. The Company was aiming to fund ongoing project development at a gearing ratio of 50%.

	2021 $	2020 $
Net debt	(7,873,517)	(8,443,744)
Share capital	31,134,472	20,272,214
Net debt to equity ratio	**25%**	**42%**

(b) Dividends

Up until the date of this report, no dividend has been declared or paid by the Company.

19. Interests in other entities

The Group's principal subsidiaries at 30 June 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name	Country of incorporation	Class of shares	Equity Holding 2021 %	Equity Holding 2020 %
Marvel Gold Australia Pty Ltd	Australia	Ordinary	100[1]	-
Evolution Energy Minerals Limited	Australia	Ordinary	100[1]	
Evolution Energy Holdings Pty Ltd	Australia	Ordinary	100[1]	
Graphex Mining UK No.1 Limited	United Kingdom	Ordinary	100	100
Oklo South Mali Limited	United Kingdom	Ordinary	80[2]	-
Ngwena Tanzania Limited	Tanzania	Ordinary	100	100
Kolon Mining SARL	Mali	Ordinary	80[2]	-
Sola Mining SARL	Mali	Ordinary	80[2]	-
Yanfo SARL	Mali	Ordinary	80[2]	-
South East Mali Gold	Mali	Ordinary	100[1]	-
South Mali Gold	Mali	Ordinary	100[1]	-
Marvel Gold Exploration SARL	Mali	Ordinary	100[1]	-

[1] Newly incorporated by the Company.
[2] Acquired via joint venture or acquisition.

Notes to the financial statements

20. Contingent liabilities

The Group had the following contingent liabilities as at 30 June 2021. As part of the Company's joint venture with Oklo Resources Limited (**Oklo**) the Company has three deferred consideration milestones which are:

The Company will issue 20,000,000 shares on the successful renewal of all joint venture tenements.

The Company will issue 10,000,000 shares within 5 business days of Marvel announcing:

- a JORC 2012 Mineral Resource at the Yanfolila or Kolondieba projects of any resource category of not less than 500,000 oz of gold or gold equivalent at a minimum grade of 1 g/t; or
- a JORC 2012 Mineral Resource at the Sirakourou, Solabougouda and Solabougouda South licences (now part of the Tabakorole project) of any resource category of not less than 350,000 oz of gold or gold equivalent at a minimum grade of 1 g/t.

The Company will issue a further 10,000,000 Marvel shares to Oklo within 5 business days of Marvel announcing:

- a JORC 2012 Mineral Resource at the Yanfolila and Kolondieba projects of any resource category of not less than 1,000,000 oz of gold or gold equivalent at a minimum grade of 1 g/t; or
- a JORC 2012 Mineral Resource at the Sirakourou, Solabougouda and Solabougouda South (now part of the Tabakorole project) licences of any resource category of not less than 700,000 oz of gold or gold equivalent estimated at a minimum grade of 1 g/t.

21. Commitments

(a) Exploration commitments

The Company is required to meet certain minimum expenditure commitments on the mineral exploration assets in which it has an interest. The minimum expenditure commitment is set out in the Prospecting Licences held by the Group. Outstanding exploration commitments are as follows:

	2021 $	2020 $
- not later than one year	1,860,266	275,269
- beyond one year	-	-
	1,860,266	**275,269**

(b) Prospecting and mining licence rentals

	2021 $	2020 $
- not later than one year	287,495	57,221
- beyond one year	-	-
	287,495	**57,221**

The Company pays an annual lease amount for the tenements it holds. The leases can be relinquished on or before the anniversary date, therefore there are no contractual commitments beyond one year. The Company has no current plans to drop any existing tenements.

Notes to the financial statements

22. Events occurring after reporting date

Subsequent to year end, the Company:

- Substantially increased its Mali landholdings via the acquisition of 438km^2 of exploration permits in Mali. This takes the Company landholding in Mali to 830 km^2.
- A Share Exchange Agreement was executed under which the Company agreed to sell the Chilalo Project to Evolution Energy Minerals Limited (**Evolution**). See significant changes in the statement of affairs above for details.
- Issued 70 million shares at a price of $0.06 per share to raise gross proceeds before costs of $4.2 million.
- Issued options under the employee share scheme including 2,897,692 short term incentive zero priced options, (including 1,116,924 that were issued to KMP), 2,897,692 long term incentive options (including 1,116,924 that were issued to KMP) and 3,500,000 cashless options with an exercise price of $0.06 per share.
- The Company received regulatory approval from the Tanzanian Fair Competition Commission which allows the initial public offering of Evolution and the lodgement of the prospectus on the 28 September 2021 inviting investors to subscribe for Evolution shares.

23. Related party transactions

(a) Parent entity

Marvel Gold Limited is the ultimate Australian parent entity of the Group. Marvel Gold Limited is a company limited by shares that is incorporated and domiciled in Australia.

(b) Subsidiaries

Interests in subsidiaries are set out in note 19.

(c) Group transactions

Controlled entities made payments and received funds on behalf of the Company and other controlled entities by way of inter-company loan accounts with each controlled entity. These loans are unsecured, bear no interest and are repayable on demand, however demand for repayment is not expected in the next twelve months.

(d) Key management personnel compensation

	2021 $	2020 $
Short-term employee benefits	900,425	830,459
Post-employment benefits	71,394	71,653
Annual and long service leave	107,613	35,466
Share-based payments	527,523	(135,673)
Shared Services Recovery[1]	(361,390)	(312,668)
	1,245,566	**489,237**

[1] The Group was a party to a Shared Services Agreement with Matador Mining Limited, Lotus Resources Limited, Tanga Resources Limited, Cradle Resources Limited and Superior Lake Resources Limited under which the Company shared certain costs. During the year, Executives Mr McKenzie and Mr Knee spent a portion of their time working for the above-mentioned companies, with this time recharged by the Group on an at cost basis. This is included above as the Shared Services Recovery.

Detailed remuneration disclosures are provided in the Remuneration Report.

Notes to the financial statements

23. Related party transactions (continued)

(e) Other KMP transactions

Mr. Knee is Director of Superior Lake Resources Limited an ASX listed Company that has a Shared Services Agreement with the Company. Under this arrangement the Company provides company secretarial, accounting and administration services. Payments made under these arrangements for the year are set out below.

	2021	2020
	$	$
Related party transactions		
Receipts from Superior Lake Resources Limited (ex-GST)	102,955	278,200
Amounts outstanding at 30 June	5,574	-

During 2021 the Company issued the following options to Directors and KMP.

Date options granted	Expiry date	Exercise price	Number under option
20-Jul-20	20-Jul-23	$0.035	16,050,000
20-Jul-20	20-Jul-23	$0.06	8,025,000
20-Jul-20	20-Jul-23	$0.10	8,025,000
			32,100,000

24. Share-based payments

(a) Employee option plan

Information on the Company's Option Plan (**Plan**) was set out in the Company's Replacement Prospectus lodged on 14 November 2019. Given the disclosure of the Plan in the Replacement Prospectus, the issue of shares under the Plan rules does not count towards the Company's share issuance capacity under ASX listing Rules 7.1 and 7.1A. The Plan is designed to:

a) assist and reward the retention and motivation of employees;
b) link employee reward to shareholder value creation; and
c) align the interests of employees with shareholders by providing an opportunity for employees to receive an equity interest in the Company in the form of Options.

Under the Plan, participants are granted options which vest when issued. 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.

The Employee may exercise the option at any time after issue. To exercise an option, an employee must deliver a signed notice of exercise and, subject to a cashless exercise of options, pay the option exercise price prior to the expiry date. An option may specify that at the time of exercise, the employee may elect not to be required to provide payment of the option exercise price. Alternatively, the Company will transfer or issue to the employee that number of shares equal in value to the positive difference between the market value of the shares at the time of exercise and the option exercise price that would otherwise be payable to exercise those options.

The Board has determined that STI awards and LTI awards will be equity settled to ensure alignment with shareholders' interests and to preserve cash.

Options are granted under the Plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share subject to the payment of any applicable exercise price.

Notes to the financial statements

24. Share-based payments (continued)

	2021		2020	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
As at 1 July	Nil	5,622,000	Nil	5,357,000
Granted during the period	$0.058	36,100,000	Nil	2,576,000
Exercised during the period	Nil	(384,000)	Nil	-
Forfeited or lapsed during the period	Nil	(5,238,000)	Nil	(2,311,000)
As at 30 June	**$0.058**	**36,100,000**	**Nil**	**5,622,000**

Options outstanding at the end of the period have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price	Options 30 June 2021	Vested and exercisable
20-Jul- 20	29-Jul-24	0.035	18,050,000	18,050,000
20-Jul- 20	29-Jul-24	0.060	9,025,000	9,025,000
20-Jul- 20	29-Jul-24	0.100	9,025,000	9,025,000

Weighted average remaining contractual life of options outstanding at period end is 3.08 years (2020: 2.76 years).

Fair value of options granted

The fair value of services received in return for the share options granted is measured by reference to the fair value of options granted. The estimate of the fair value of the services is measured based on a Black-Scholes option valuation methodology.

The assumptions used for the options valuation are as follows:

	Director and ESS options	Director and ESS options	Director and ESS options
Underlying value of the security	$0.024	$0.024	$0.024
Exercise price	$0.035	$0.06	$0.10
Valuation date	20/07/20	20/07/20	20/07/20
Vesting date	29/07/20	29/07/20	29/07/20
Expiry date	29/07/24	29/07/24	29/07/24
Risk free rate	0.4%	0.4%	0.4%
Volatility	120%	120%	120%
Life of Options in years	4.03	4.03	4.03
Number of Options	18,050,000	9,025,000	9,025,000
Valuation per Option	$0.018	$0.016	$0.014
Amount expensed during the year	$320,500	$144,528	$128,230

(b) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions during the period were as follows:

	2021 $	2020 $
Options issued under the Plan	593,258	(149,583)
	593,258	**(149,583)**

At the end of each reporting period the Company applies a probability to options with non-market based vesting criteria to reflect the likely number of options that will vest at the end of the vesting period taking into consideration all the vesting criteria. As outlined in the Directors Report, the Company has changed strategic direction which resulted in all options issued as performance incentives during 2019 and 2020 lapsing unvested. This is a result of previous vesting criteria being based on progression and financing of the Chilalo Graphite Project.

Notes to the financial statements

24. Share-based payments (continued)

(c) Other share based payments

The Group had the following contingent liabilities as at 30 June 2021. As part of the Company's joint venture with Oklo Resources Limited (**Oklo**) the Company has three deferred consideration milestones which are:

The Company will issue 20,000,000 shares on the successful renewal of all joint venture tenements.

The Company will issue 10,000,000 shares within 5 business days of Marvel announcing:

- a JORC 2012 Mineral Resource at the Yanfolila or Kolondieba projects of any resource category of not less than 500,000 oz of gold or gold equivalent at a minimum grade of 1 g/t; or
- a JORC 2012 Mineral Resource at the Sirakourou, Solabougouda and Solabougouda South licences (now part of the Tabakorole project) of any resource category of not less than 350,000 oz of gold or gold equivalent at a minimum grade of 1 g/t.

The Company will issue a further 10,000,000 shares within 5 business days of Marvel announcing:

- a JORC 2012 Mineral Resource at the Yanfolila and Kolondieba projects of any resource category of not less than 1,000,000 oz of gold or gold equivalent at a minimum grade of 1 g/t; or
- a JORC 2012 Mineral Resource at the Sirakourou, Solabougouda and Solabougouda South (now part of the Tabakorole project) licences of any resource category of not less than 700,000 oz of gold or gold equivalent estimated at a minimum grade of 1 g/t.

25. Remuneration of auditors

During the period, the following fees were paid and payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

(a) BDO Audit (WA) Pty Ltd

	2021 $	2020 $
(i) Audit and assurance services		
Audit and review of financial statements	35,500	45,684[1]
Other assurance services	-	-
Total audit and assurance remuneration	**35,500**	**45,684[1]**
(ii) Taxation services		
Taxation services	-	32,874[1]
Total taxation remuneration	**-**	**32,874[1]**

[1] In the 2020 financial year the Company used PricewaterhouseCoopers (**PwC**) as the Company auditors and tax advisors.

(b) PricewaterhouseCoopers (Tanzania component auditor)

(i) Audit and assurance services		
Audit of financial statements	15,743	11,089
Total audit and assurance remuneration	**15,743**	**11,089**
(ii) Taxation services		
Taxation services	-	15,850
Total taxation remuneration	**-**	**15,850**

The Company engaged PwC to perform tax compliance services provided during the 2020 financial year being the preparation and lodgement of the Group's tax returns in both Australian and Tanzania. In addition to compliance engagements, the Company also engaged PwC Australia and Tanzania for tax structuring advice on an ad hoc basis. It is the Group's general preference to employ PwC on assignments additional to their statutory audit duties where PwC's expertise and experience with the Group are important. These assignments are principally tax advice, or where PwC is awarded assignments on a competitive basis.

Notes to the financial statements

26. Earnings per share

	2021 $	2020 $
(a) Basic earnings per share		
From continuing operations attributable to ordinary equity holders	(0.02)	(0.07)

The weighted average number of shares used to calculate both the basic and diluted earnings per share is 442,550,279 (2020: 104,446,456).

	2021 $	2020 $
(b) Fully diluted earnings per share		
From continuing operations attributable to ordinary equity holders	(0.02)	(0.07)

(c) Information concerning the classification of securities

Options granted to employees under the Plan and those issued to contractors are considered to be potential ordinary shares. They have been included in the determination of diluted earnings per share with the assumption all such options will vest, and to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in note 24.

27. Parent entity financial information

The individual financial statements for the parent entity show the following aggregate amounts:

(a) Summary of financial information

	2021 $	2020 $
Statement of financial position		
Current assets	1,552,858	416,882
Total assets	3,423,392	5,461,214
Current liabilities	(10,963,455)	(9,465,079)
Total liabilities	(11,066,312)	(9,465,079)
Shareholders' equity		
Issued capital	31,134,472	20,272,214
Reserves	1,933,763	1,340,505
Retained earnings	(40,711,155)	(25,616,584)
Total shareholders' equity	(7,642,920)	(4,003,865)
Loss for the period	**(10,213,644)**	**(6,273,559)**
Total comprehensive loss	**(10,213,644)**	**(6,273,559)**

(b) Guarantees

Marvel, as the parent company, has provided a guarantee for ongoing financial support to its wholly owned Tanzanian subsidiary Ngwena Tanzania Limited.

(c) Commitments

Of the commitments in note 21, all of the leases disclosed in note 21 related to the parent, Marvel. These related to the fixed term non-cancellable low value leases of the Company's photocopier/printer lease.

(d) Contingencies

The parent entity did not have any contingent liabilities as at 30 June 2021 or 30 June 2020. For information about guarantees given by the parent entity, please see above.

Notes to the financial statements

28. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. The financial statements are for the Group consisting of Marvel and its subsidiaries disclosed in note 19.

(a) Basis of preparation

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

(i) Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

(ii) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 29.

(iii) New or amended Accounting Standards and Interpretations adopted

The accounting standards and interpretations relevant to the operations of the Group are consistent with those of the previous financial year. There are some amendments and interpretations effective for the first time from 1 July 2020, though they did not have any impact on the current period or any prior period and is not likely to affect future periods.

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

(iv) Going concern

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

As disclosed in the financial statements, the Group incurred a loss of $8,997,070 and had net cash outflows from operating activities of $7,384,006 for the year ended 30 June 2021. As at that date, the Group had current liabilities of $10,792,678 although during the year the primary current liability, being loans and borrowings (now Liabilities directly associated with assets held for sale) of $9,380,475 was novated to a subsidiary (i.e. no security recourse to the Company) and extended the repayment date to 29 October 2022. It is also likely that the Chilalo Graphite Project including the Loan Notes secured by the project will be spun out via IPO subsequent to year end. The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to secure funds by raising capital from equity markets and managing cash flows in line with available funds.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report.

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- As disclosed in note 11, the company amended the terms of the Loan Note Subscription Agreement to extend the repayment date and limit the security over the Company's asset to that of its holding company and subsidiary.
- As disclosed in note 8 it is likely the Company will spin out the Chialalo Graphite project and the Loan Notes via IPO which will result in the Company receiving $10 million of shares in Evolution, the spin out company, and $2 million in cash.
- As disclosed in note 22 subsequent to year end the Company issued 70 million shares at a price of $0.06 per share to raise gross proceeds before costs of $4.2 million.
- The Group has the ability to issue additional equity securities under the Corporations Act 2001 to raise further working capital; and
- The Group has the ability to curtail administrative, discretionary exploration and overhead cash outflows as and when required.

The ability of the Group to continue as a going concern and to fund its operational activities is dependent on the above assumptions.
Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial statements do not

Notes to the financial statements

include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

(b) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured 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 business combinations by the Group.

Investments in subsidiaries are accounted for at cost in the parent entity information disclosures of Marvel.

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

(c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset and costs directly attributable to bringing the asset to a working condition for their intended use.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Depreciation of plant and equipment is calculated on a straight-line basis so as to write off the net costs of each asset over the expected useful life. The rates vary between 2% and 50% per annum.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

(d) Impairment

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the consolidated statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(e) Exploration and evaluation costs

Costs arising from the acquisition of exploration and evaluation activities are carried forward where these activities have not, at reporting date, reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves. The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas of interest. Ongoing exploration activities are expensed as incurred.

The Directors believe that this policy results in the carrying value of exploration expenditure more appropriately reflecting the definition of an asset, being future benefits controlled by the Group. All costs carried forward are in respect of areas of interest in the exploration and evaluation phases and accordingly, production has not commenced.

Exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, in particular when exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area.

Notes to the financial statements

Where tenements or part of an area of interest are disposed of, the proceeds of this partial disposal will reduce the value of the asset by the fair value of those proceeds. This recognises that part of the future economic benefit of the asset has effectively been disposed.

(f) Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

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

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Tax exposures

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made. The Company and its wholly owned Australian tax resident entities (Graphex UK No. 1 Limited) are part of a tax consolidated group.

(g) Other taxes

Revenues, expenses and assets are recognised net of the amount of goods and services tax (**GST**) or value added tax (**VAT**), unless the GST / VAT incurred is not recoverable from taxation authorities. In this case it is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

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

Cash flows are included in the Consolidated Statement of Cash Flows inclusive of GST / VAT. The GST / VAT components of cash flows arising from investing and financing activities which are recoverable from, or payable to, taxation authorities are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST / VAT recoverable from, or payable to taxation authorities. The net of GST / VAT payable and receivable is remitted to the appropriate tax body in accordance with legislative requirements.

(h) Foreign currency translation

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Foreign currency transactions

Transactions in foreign currencies are translated to the respective financial currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Notes to the financial statements

Non-monetary assets and liabilities that are measured in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss, However, foreign currency differences arising on the retranslation of available-for-sale equity instruments, a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the presentation currency at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportion of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of, such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(i) Accounts payable

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost when the Group becomes obliged to make payments resulting from the purchase of goods and services. The amounts are non-interest-bearing, unsecured and are usually paid within 30 days of recognition.

(j) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(k) Employee benefits

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid, inclusive of on costs, when the liabilities are settled. The expense for non-accumulating sick leave is recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long-term employee benefits

The liability for long service leave is recognised in the provision for employee benefits and measured as 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.

(iii) Share-based payment transactions

The fair value of options previously granted under the Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the Directors, employees or contractors become unconditionally entitled to the options.

The fair value of the options at grant date is independently determined using the Black-Scholes option pricing model that 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.

The fair value of the options granted is adjusted to reflect market vesting conditions but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The expense recognised each period takes into account the most recent estimate. The impact of

Notes to the financial statements

the revision to original estimates, if any, is recognised in the consolidated statement of comprehensive income with a corresponding adjustment to equity.

The fair value of these equity instruments does not necessarily relate to the actual value that may be received in future by the recipients. The Company accounts for share based payments issued to non-employees in accordance with the share based payments standard.

(l) Revenue recognition

Interest revenue is recognised as it accrues in profit or loss, using the effective interest method.

(m) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. The Company uses an 'expected credit loss' (ECL) model to recognise an allowance if not collectable.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

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

(n) Earnings per share (EPS)

Basic earnings per share

Basic EPS is calculated as the profit / (loss) attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, divided by the weighted average number of ordinary shares outstanding during the financial period, adjusted for any bonus elements in ordinary shares issued during the period.

Diluted earnings per share

Diluted EPS adjusts the figures used in the determination of basic EPS 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.

(o) Cash and cash equivalents

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

(p) Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the financial statements

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and in the case of assets classified as held-to-maturity investments, re-evaluates this designation at each reporting date.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and trade and other receivables (see notes 4 and 5).

When an investment is derecognised, the cumulative gain or loss in equity is transferred to the consolidated statement of comprehensive income. Fair value is determined by reference to the quoted price at the reporting date.

Cash and cash equivalents

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

(ii) Non-derivative financial liabilities

All financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or have expired.

The Group classified non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise loans from related parties and trade and other payables.

(iii) Loans and Borrowings

The Company entered into a Loan Note Subscription Agreement with funds managed by Castlelake L.P. to raise US$5 million from the issue of secured Interim Loan Notes. At the end of the period, the Company has drawn the US$5 million Interim Loan Notes available. Full details of the Interim Loan Notes are outlined in note 11.

The Loan Notes are valued at amortised cost using the effective interest method over the life of the loan. During the year the primary liability, being loans and borrowings of $8,748,377 was novated to a subsidiary (i.e. no security recourse to the Company) and extended the repayment date to 29 October 2022.

(q) ***Share capital***

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(r) Segment reporting

Segment results that are reported to the Group's Managing Director (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

(s) Parent entity information

The financial information for the parent entity, Marvel Gold Limited, disclosed in note 27 has been prepared on the same basis as the consolidated financial statements.

(t) Rounding

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument.

(u) Comparatives and restatements of prior year balances

Comparatives have been reclassified where appropriate to enhance comparability.

Notes to the financial statements

29. Critical accounting judgements, estimates and assumptions

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.

Asset acquisition

The Group has determined that the acquisition of the Oklo Projects is deemed to be an asset acquisition not a business combination. In assessing the requirements of AASB 3 Business Combinations, the Group has determined that the assets acquired do not constitute a business. The assets acquired consists of mineral exploration tenements. When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in the purchase transaction and no deferred tax will arise in relation to the acquired asset as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition.

Borrowings

As disclosed in note 11, the terms of the Interim Loan Notes previously issued by the Company were materially changed during the year including but not limited to extending the term of the Interim Loan Notes by two years and accruing a 7.5% restructuring fee. Under the requirements of AASB 9 - Financial Instruments the accounting for modification of a financial liability depends on whether the modification is a substantial or a non-substantial modification. The modification is substantial where the present value of the restructured cash flows differ from the carrying value of the debt by more than 10%. The Company has accounted for the modification as substantial. In making this assessment, the Company applied a discount rate of 30% to the present value of restructured cashflow. The Company is the only ASX listed graphite company that has secured debt and therefore the discount rate used to assess fair value was the effective interest rate at the date of amendment being the only reference to the fair value of the cost of debt.

Exploration and evaluation

Exploration and evaluation acquisition costs have been capitalised on the basis that activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Key judgements are applied in considering the recoverability of the value of the asset. The Company assesses whether any impairment indicators may exist over the area of interest to assess recoverability each year.

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 Binomial or Black-Scholes model 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.

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 Group 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 Group operates.

As outlined in the events since the end of the financial year note in the Directors Report and note 10, as a result of the economic uncertainty caused by COVID-19, the Company's financier decided not to proceed with the previously announced financing of the development of the Company's Chilalo Graphite Project. The economic impact of COVID-19 and the subsequent market fallout resulted in a sharp decline in the Company's market capitalisation, and as such any project finance solution under terms previously agreed was likely to result in unacceptable dilution for the Company's shareholders. Subsequent to year end, the Company formalised revision of the terms of the terms LNSA to defer repayment to 29 October 2022 and confining the Financier's security to Chilalo Project related assets and removing the Financier's legal recourse to the Company.

Other than as addressed in specific notes, there does not currently appear to be any other significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

Directors declaration

In the opinion of the Directors:

(a) the consolidated financial statements and notes set out on pages 27 to 56 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

(ii) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

The Directors have been given the declarations by the Managing Director and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.

Stephen Dennis
Chairman
PERTH
On this 30th day of September 2021

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INDEPENDENT AUDITOR'S REPORT

To the members of Marvel Gold Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Marvel Gold Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, 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 2021 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.

Material uncertainty related to going concern

We draw attention to Note 28(iv) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

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

Carrying value and classification of assets held for sale

Key audit matter	How the matter was addressed in our audit
As disclosed in Note 8, included in the Group's consolidated statement of financial position at 30 June 2021 are non-current assets associated with the Chilalo Project classified as assets held for sale. The assessment of the recoverable amount of the assets held for sale requires management to exercise judgement and has been based on a Fair Value Less Cost of Disposal approach. A market based approach has been used by the Directors, reflecting the value which is expected to be realised through the spin-out and subsequent Initial Public Offering ('IPO') of Evolution Energy Minerals Limited.	Our procedures included, but were not limited to: • Evaluating management's conclusion to ensure the assets and associated liabilities meet the definition of held for sale in accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations; • Evaluating management's assessment of the recoverable value; • Evaluating the appropriateness of classification and presentation of these assets and associated liabilities in the Financial Report; and • Assessing the appropriateness of the related disclosures in Note 8 and 12 to the Financial Report.

Loan Note restructure

Key audit matter	How the matter was addressed in our audit
As disclosed in Note 11 the Group restructured its Loan Notes associated with the Castlelake Loan Note Subscription Agreement on 20 July 2020. As part of the restructure, the new terms of the Loan Notes have extended the facility to October 2022 and included an amendment fee. In addition, the Loan Notes were confined to the Chilalo Project related assets, removing legal recourse to the Company. The modification of the loan agreement has been accounted for by management as an extinguishment of the original financial liability and the recognition of a new financial liability due to the substantially different terms of the revised agreement.	Our procedures included, but were not limited to: • Assessing the terms and conditions under the new Loan Note Agreement; • Evaluating management's treatment of the restructure including recognition of a new financial instrument against the requirements of the relevant accounting standards; and • Assessing the appropriateness of the disclosures included in Note 11 to the Financial Report.

Other information

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

Our opinion on the financial report does not cover the other information and 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 Marvel Gold Limited, for the year ended 30 June 2020 was audited by another auditor who expressed an unmodified opinion on that report on 28 September 2020.

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 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 12 to 20 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Marvel Gold Limited, for the year ended 30 June 2021, 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

BDO

Dean Just

Director

Perth, 30 September 2021

ASX Additional Information

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 29 September 2021.

(a) DISTRIBUTION OF EQUITY SECURITIES

Ordinary Shares

			Number of holders	Number of shares
1	-	5,000	226	185,097
5,001	-	10,000	141	1,227,152
10,001	-	100,000	608	23,398,719
100,001		and over	342	554,121,840
			1,317	578,932,808[1]
Number of holders holding less than a marketable parcel of shares			252	350,520

1. *7,500,000 shares are subject to voluntary escrow to 15 June 2023.*

Unlisted Options

			Number of holders	Number of Unlisted Options
1	-	10,000	-	-
10,001	-	100,000	1	75,000
100,001		and over	13	44,820,386
			8	44,895,386

(b) TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of quoted shares as at 29 September 2021 are:

Rank	Name	Number of shares	% of shares
1.	CAPITAL DI LIMITED	80,000,000	13.82
2.	DEUTSCHE BALATON AKTIENGESELLSCHAFT	41,666,667	7.20
3.	CITICORP NOMINEES PTY LIMITED	30,730,668	5.31
4.	DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT	25,679,488	4.44
5.	BPM CAPITAL LIMITED	25,000,000	4.32
6.	HSBC CUSODY NOMINEES <AUSTRALIA> LIMITED	18,389,723	3.18
7.	QUINTERO GROUP LTD	16,083,333	2.78
8.	MR MARTYN ROGER BROWN	15,250,000	2.63
9.	MONTANA REALTY PTY LTD	13,500,000	2.33
10.	BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	11,338,686	1.96
11.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	10,984,777	1.90
12.	CLARKSON'S BOATHOUSE PTY LTD <CLARKSON SUPER FUND A/C>	8,079,330	1.40
13.	2INVEST AG	7,945,492	1.37
14.	MR PHILIP HOSKINS	7,461,328	1.29
15.	LONE JET PTY LTD	7,000,000	1.21
16.	MR ANDREW CLAYTON <THE KING CAREY A/C>	6,000,000	1.04
17.	MR BRIAN MCCUBBING <B MCCUBBING SUPER FUND A/C>	5,556,840	0.96
18.	EQUITY TRUSTEES LIMITED <LOWELL RESOURCES FUND A/C>	5,266,667	0.91
19.	ONE MANAGED INVESTMENT FUNDS	5,259,664	0.91
20.	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	5,006,079	0.86
Total Top 20 holders of ORDINARY FULLY PAID SHARES		**346,198,742**	**59.80**
Total Remaining Holders Balance		**232,734,066**	**40.20**

ASX Additional Information

(c) TWENTY LARGEST HOLDERS OF UNLISTED OPTIONS

Rank	Name	Number of unlisted options	% of unlisted options
1.	MR PHILIP HOSKINS	10,250,000	22.83
2.	MR CHRISTOPHER PHILIP VAN WIJK	8,750,000	19.49
3.	MR RICHARD HENRY TOMLINSON	6,261,538	13.95
4.	MR ANDREW PARDEY	4,500,000	10.02
5.	MR CHRISTOPHER BRUCE KNEE	4,266,924	9.50
6.	MRS RUTH MARY MCKENZIE + MR STUART ANDREW MCKENZIE	4,266,924	9.50
7.	MR ILIAS KEITA	2,700,000	6.01
8.	MR STEPHEN BRUCE DENNIS + MRS ALISON JILL DENNIS <DENNIS SUPER FUND A/C>	2,300,000	5.12
9.	MR SIDI HAIDARA	1,200,000	2.67
10.	MR KAREL DONDERS	200,000	0.45

The options listed in the table above excludes all options issued to KMP under the employee share scheme up to 30 June 2020. These options will or have lapsed unexercised owing to a failure to meet applicable vesting criteria.

(d) SUBSTANTIAL SHAREHOLDERS

Capital DI Limited: 13.82%
Deutsche Baloton Aktiengesellschaft: 7.20%

(e) VOTING RIGHTS

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands. Options have no voting tights until such time as they are exercised and shares have been issued.

(f) UNQUOTED SECURITIES >20% HOLDERS

Class	Holder	Number
Options exercisable @ $0.035, expiring 29/07/24	Phil Hoskins	5,125,000
	Chris van Wijk	4,375,000
Options exercisable @ $0.06, expiring 29/07/24	Phil Hoskins	2,562,500
	Chris van Wijk	2,187,500
Options exercisable @ $0.10, expiring 29/07/24	Phil Hoskins	2,562,500
	Chris van Wijk	2,187,500
Options exercisable at $0.06, expiring 27/08/2024	Richard Tomlinson	2,000,000
	Sidi Haidara	1,000,000
Options exercisable at $0.00, expiring 27/08/2024	Richard Tomlinson	1,130,769
Options exercisable at $0.00, expiring 27/08/2026	Richard Tomlinson	1,130,769
	Christopher Knee	558,462
	Stuart McKenzie	558,462

ASX Additional Information

(g) UNQUOTED SECURITIES

Class	Number of Holders	Number of Securities
Unlisted options, exercisable at $0.00, expiring 27/08/2024	8	3,047,693
Unlisted options, exercisable at $0.00, expiring 27/08/2026	3	2,247,693
Unlisted options, exercisable at $0.06, expiring 27/08/2024	3	3,500,000
Unlisted options, exercisable at $0.035, expiring 29/07/2024	8	18,050,000
Unlisted options, exercisable at $0.060, expiring 29/07/2024	8	9,025,000
Unlisted options, exercisable at $0.100, expiring 29/07/2024	8	9,025,000

(h) TENEMENT SCHEDULE

Tenement	Ownership	Project	Location
ML 569/2017 - Chilalo	100%	Chilalo	Tanzania
PL 11050/2017 - Chilalo West	100%	Chilalo	Tanzania
PL 11034/2017 - Chilalo	100%	Chilalo	Tanzania
PL 9929/2014 - Chikwale	100%	Chilalo	Tanzania
PL 9946/2014 - Machangaja	100%	Chilalo	Tanzania
PR 15/758 - Tabakorole	51%	Tabakorole	Mali
PR 18/950 - Lakanfla	33%	Lakanfla	Mali
PR 16/387 - Sirakourou	80%	Tabakorole	Mali
PR 19/1057 - Solabougouda	80%	Tabakorole	Mali
PR 17/879	80%	Kolondieba	Mali
PR 16/803	80%	Kolondieba North	Mali
PR 17/875	80%	Yanfolila	Mali
PR 16/802	80%	Yanfolila East	Mali
Npanyala	51%	Tabakorole	Mali
Sirakoroble South	51%	Tabakorole	Mali
Foulalaba	100%	Tabakorole	Mali
Sirakourou South	100%	Tabakorole	Mali
Ngolobala	100%	Tabakorole	Mali
Tanhala	100%	Tabakorole	Mali
Naniola	100%	Tabakorole	Mali