



DREADNOUGHT

— R E S O U R C E S —

Annual Report

ABN 40 119 031 864

For the Year Ended 30 June 2020

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CHAIRMAN'S LETTER

Dear Fellow Shareholder,

We are pleased to present the 2020 Annual Report for Dreadnought Resources Limited ("**Dreadnought**"). The past year has been another active year for Dreadnought.

At this time last year, I described our goals for 2020 including:

Illaara Gold-VMS-Iron Ore Project

Deliver maiden drill programs at the Lawrence's, CRA Homestead and Central Illaara camp scale targets and continue evaluating our camp scale targets to generate additional drill targets. These goals were met. We prioritised Metzke's Find, Longmore's Find and Black Oak ahead of Central Illaara in terms of drilling. We also identified significant, high quality iron ore potential at Illaara. Illaara will remain a focus for Dreadnought in 2021 as we build on the early stage success at Metzke's Find and continue to assess the many opportunities that Illaara presents on multiple commodity fronts.

Evaluate the VMS potential of Illaara and undertake effective and efficient exploration programs to generate drill targets. An extensive and active VMS system was identified at Illaara and our targeting methods were success in identifying massive sulphides. The results obtained are being used to vector in on possible higher tenor base metals areas of the system.

Tarraji-Yampi Project

Follow up on down hole EM anomalies at Chianti and use the technical learnings from our successful drilling to generate additional drill targets with the aim of confirming a mineralised VMS camp. In addition, evaluate the remainder of the project area for other prospective VMS horizons. We defined multiple drill targets at the Tarraji-Yampi Project through geophysical and geochemical exploration methods including at the Chianti-Rufina Cu-Zn-Pb-Ag target. Substantial VMS anomalies were identified adjacent to Chianti at Rufina. We now have 7 drill targets defined by EM anomalies with associated gossans and/or magnetic and surface geochemical anomalies. Unfortunately, our activities in the Kimberley were delayed due to Covid-19 access restrictions. Drilling at Chianti-Rufina has been deferred until 2021.

Follow up drilling at Grants to test extents with an aim to assess its size and grade potential and use the learnings from Grants to generate additional drill targets with the aim of confirming a mineralised Cu-Au camp. Our geophysical and geochemical exploration methods certainly confirmed a Cu-Au camp including Grants, Fuso and Paul's Find. Drilling logistics were also impacted by Covid-19 access restrictions.

Drill the high priority coincident magnetic and VTEM anomaly within the Ruins Dolerite at the Texas Ni-Cu-PGE Target. This target remains untested as drilling logistics were impacted by the Covid-19 access restrictions.

All access and drilling approvals have now been obtained to complete our high priority work at the Tarraji-Yampi Project.

Rocky Dam Project

Confirm and evaluate CRA-North which has not been followed up since the 1990s. CRA-North was drilled and with encouraging results. The thick shallow oxide mineralisation intersected over ~300m of strike with close proximity to Kalgoorlie, makes CRA-North an attractive target.

For 2021, Dreadnought will look to build on the foundations laid in 2020, including:

Illaara Gold-VMS-Iron Ore Project

Systematically assess and test the numerous high-quality gold opportunities.

Commercialise the iron ore potential.

Refine and test the VMS targeting methods.

Tarraji-Yampi Project

Drill the numerous untested targets at the Tarraji-Yampi Project.

Rocky Dam Project

Refine and test our understanding of the bedrock lode position at Rocky Dam.

CHAIRMAN'S LETTER

In addition, we will continue to evaluate other opportunities for adding to shareholder value.

In closing, we would like to thank our stakeholders including the Department of Defence, the Dambimangari Aboriginal Corporation, local communities, employees, joint venture alliance partners, suppliers and other business partners. We also would take this opportunity to thank our fellow shareholders for your ongoing support.



Paul Chapman
Non-Executive Chairman

DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Dreadnought Resources Limited (referred to hereafter as the Parent Entity or the Company) and the entities it controlled at the end of, or during, the year ended 30 June 2020.

DIRECTORS

The following persons were directors of the Parent Entity during the whole of the financial year and up to the date of this report, unless otherwise stated:

Paul Chapman

(Non-executive Chairman)

Appointed 9 April 2019

Dean Tuck

(Managing Director)

Appointed 9 April 2019

Ian Gordon

(Non-executive Director)

Appointed 21 December 2017

Paul Payne

(Non-executive Director)

Appointed 21 December 2017

David Chapman

(Non-executive Director)

Appointed 9 April 2019, Resigned 31 July 2019

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were minerals exploration and development. There were no significant changes in the nature of activities of the Group during the year.

DIVIDENDS

No dividends have been declared or paid during the year (2019: Nil).

OPERATING RESULTS AND FINANCIAL POSITION

The net result of operations for the financial year was a loss of \$1,215,539 (2019: \$680,822).

The net assets of the Group have increased by \$2,540,608 during the financial year from \$2,055,644 at 30 June 2019 to \$4,596,252 at 30 June 2020.

DIRECTORS' REPORT

REVIEW OF OPERATIONS

Corporate Activities

The Group is an ASX-listed exploration and development company focussing on gold, nickel and copper projects within the state of Western Australia. The Company's strategy is to discover major gold, nickel and copper within Western Australia.

The highlights and significant changes in state of affairs during the year and to date include:

Acquisitions

- Finalised the acquisition of the Wombarella Project for 16,000,000 fully paid ordinary shares and \$20,000 cash on 14 August 2019. Wombarella is prospective for nickel, copper, zinc, lead, silver and platinum group elements.
- Consolidated a significant land position prospective for Proterozoic Cu-Au, Cu-Zn-Pb-Ag VMS and Magmatic Ni-Cu-PGE massive sulphides in the South Kimberley. The South Kimberley Project contains historic Cu-Au occurrences similar to those seen within the Tarraji-Yampi Project.
- Finalised the acquisition of the Metzke's Find Project for 14,500,000 fully paid ordinary shares and \$20,000 cash on 6 December 2019.
- Finalised an option agreement to acquire E29/965 and E30/485 at Illaara in the Yilgarn (VMS potential) for \$100,000 cash for a 15-month period to March 2021, with an option to extend for a further 15-months and a \$1,000,000 exercise price to acquire both tenements.
- Expanded the land position prospective for gold mineralisation around the Rocky Dam Project.

Funding

- Completed a placement and issued 165,131,627 shares at an issue price of \$0.003 raising \$495,395 before costs during July 2019.
- Completed a Share Purchase Plan and issued 140,166,663 shares at an issue price of \$0.003 raising \$420,500 before costs during August 2019.
- Completed a placement and issued 269,841,290 shares at an issue price of \$0.0063 raising \$1,700,000 before costs on 8 December 2019, following shareholder approval for related party involvement.
- Completed a placement and issued 125,000,000 shares at an issue price of \$0.004 raising \$500,000 before costs during May 2020.

Administration

- Completed a Small Shareholding Sale Facility in August 2019 via which the total number of shareholders in the Company was reduced by ~1,580 to ~750. This will significantly reduce administration costs going forward.
- Subsequent to year end, Jessamyn Lyons was appointed Company Secretary in July 2020 with Nicholas Day resigning as a Company Secretary.

Field Operations

- Defined multiple drill targets at the Tarraji-Yampi Project through geophysical and geochemical exploration methods at the Chianti-Rufina Cu-Zn-Pb-Ag, Texas Ni-Cu-PGE, Grants, Fuso and Paul's Find Cu-Au Targets.
- Obtained all regulatory approvals to commence drilling at the Tarraji-Yampi Project and carried out drilling at the Chianti and Grants Targets.
- Defined multiple drill targets at the Illaara Gold-VMS-Iron Ore Project through a series of on ground geophysical and geochemical surveys as well as detailed reviews of historical exploration.
- Drill tested the Warspite, Bismarck, Rodney, Reindler's VMS targets in line with the company's VMS strategy.
- Drill tested Metzke's Find, Sheoak, Century, CRA Homestead gold targets returning numerous high-grade results from Metzke's Find.
- Re-defined the CRA-North gold prospect at the Rocky Dam Project and carried out multiple drilling programs which produced several thick shallow oxide gold intercepts.

DIRECTORS' REPORT

Key Projects

Kimberley Ni-Cu-Au Projects

The Group controls the second largest land holding in the highly prospective West Kimberley region of WA. The main project area, Tarraji-Yampi, is located only 85kms from Derby and has been locked up as a Defence reserve since 1978. The area was only recently opened under the Commonwealth Government's co-existence regime that balances Defence's needs with the requirements of others including Aboriginal groups, the resources industry, pastoralists and State Governments.

Tarraji-Yampi presents a rare first mover opportunity with known outcropping mineralisation and historic workings from the early 1900s which have seen no modern exploration.

Three styles of mineralisation occur at Tarraji-Yampi including: volcanogenic massive sulphide ("VMS"); Proterozoic Cu-Au ("IOCG"); and magmatic sulphide Ni-Cu-PGE. Numerous high priority nickel, copper and gold drill targets have been identified from recent Versatile time Domain Electromagnetic ("VTEM") surveys, historical drilling and surface sampling of outcropping mineralisation.

Illaara Gold, VMS & Iron Ore Project

Illaara is located 190km northwest of Kalgoorlie in the Yilgarn Craton and covers 75kms of strike along the Illaara Greenstone Belt. Illaara is prospective for typical Archean mesothermal lode gold deposits and base metals VMS mineralisation.

The Group has consolidated the Illaara Greenstone Belt mainly through an acquisition from Newmont. Newmont defined several camp-scale targets which were undrilled due to a change in corporate focus. Prior to Newmont, the Illaara Greenstone Belt was predominantly held by iron ore explorers and has seen minimal gold and base metal exploration since the 1990s. Illaara contains several drill ready gold targets. In addition, the Eastern and Western VMS Horizons are expected to produce exciting drill targets with the application of modern exploration technology.

Rocky Dam Gold & VMS Project

Rocky Dam is located 45kms east of Kalgoorlie in the Eastern Goldfields Superterrane of Western Australia. Rocky Dam is prospective for typical Archean mesothermal lode gold deposits and Cu-Zn VMS mineralisation. Rocky Dam has known gold and VMS occurrences with drill ready gold targets including the recently defined CRA-North gold prospect.

Competent Person's Statement

The information in this report that relates to geology and exploration results and planning was compiled by Mr. Dean Tuck, who is a Member of the AIG and a director and shareholder of the Company. Mr. Tuck has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Tuck consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information in the original reports, and that the forma and context in which the Competent Persons findings are presented have not been materially modified from the original reports.



DIRECTORS' REPORT

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

In July and August 2020, a total of 33,500,000 unlisted options were exercised raising \$217,500.

In August 2020, the Group completed a share placement of 170,666,673 at \$0.009 per share to sophisticated investors. The placement raised \$1,536,000 before costs.

On 15 August 2020, the Group extended the maturity date of the Convertible Loan Note Deed to 2 July 2021.

Other than the events detailed above, there has not arisen in the interval between 1 July 2020 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Group, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future years.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGY

The Group is focused on delivering significant shareholder returns through the discovery of economic gold, copper and nickel deposits in the tier one jurisdiction of Western Australia.

The Group will achieve these goals by:

- Identifying projects with significant unrealised potential
- Focusing our technical effort and financial investment to effectively and efficiently generate and drill exciting mineralised targets
- Maintaining low overheads and keeping the market well informed through continuous activity and news flow

The Group currently has three core projects which include the Kimberley Ni-Cu-Au Projects, the Illaara Gold, VMS & Iron Ore Project and the Rocky Dam Gold & VMS Project

ENVIRONMENTAL REGULATION

The operations of the Group in Australia are subject to environmental regulations under both Commonwealth and State legislation. In the mining industry, many activities are regulated by environmental laws as they may have the potential to cause harm and/or otherwise impact upon the environment. Therefore, the Group conducts its operations under the necessary Commonwealth and State Licences and Works Approvals to carry out ground disturbing activities including the discharge of hazardous waste and materials arising from any exploration or mining activities and development conducted by the Group on any of its tenements. The Group considers it has complied with all relevant environmental obligations.

DIRECTORS' REPORT

INFORMATION ON DIRECTORS

Directors have been in office for the entire period unless otherwise stated.

PAUL CHAPMAN B.Comm, CA, Grad. Dip. Tax, MAICD, MAusIMM
Independent Non-Executive Chairman

Experience and Expertise

Mr Chapman is a chartered accountant with over thirty years' experience in the resources sector gained in Australia and the United States. He was a founding shareholder/director of the following ASX listed companies: Black Cat Syndicate, Reliance Mining, Encounter Resources, Rex Minerals, Silver Lake Resources and Avanco Resources. Mr Chapman is the non-executive Chairman of ASX listed gold developer Black Cat Syndicate and copper/gold explorer Encounter Resources.

Interests in shares and options

284,130,061 shares and 20,000,000 options

Special Responsibilities

Chairman of the Board

Other current directorships

Mr Chapman is a director of Black Cat Syndicate (ASX:BC8) and Encounter Resources (ASX:ENR).

Former directorships in the last 3 years

Mr Chapman resigned as non-executive director of Brazilian copper/gold producer Avanco Resources (ASX:AVB) on 10 August 2018 following a successful takeover by OZ Minerals.

DEAN TUCK B.Sc (Hons), FGAA, MAIG
Managing Director

Experience and expertise

Mr Tuck is an experienced geologist and exploration manager having worked across a wide range of commodities in Australia, Brazil and Southeast Asia from project generation through to resource evaluation. He has held senior level positions at BHP Billiton and ASX listed junior explorers. Mr Tuck has been instrumental in a number of discoveries including the Strickland gold, Mallinda and Mallina LCT pegmatites and Wonmunna iron ore.

Interests in shares and options

14,710,317 shares and 39,500,000 options

Other current directorships

None.

Former directorships in the last 3 years

None.

IAN GORDON B.Comm, MAICD
Non-executive Director

Experience and Expertise

Mr Gordon is a mining executive with extensive experience in transaction generation, project acquisition, mine development and the management of public companies. Mr Gordon was formally an Executive Director and Managing Director of Ramelius Resources for seven years and Managing Director of Flinders Mines for two years. He holds a Bachelor of Commerce degree from Curtin University (WA).

DIRECTORS' REPORT

INFORMATION ON DIRECTORS (CONTINUED)

Interests in shares and options

47,325,981 shares

Other current directorships

None.

Former directorships in the last 3 years

Mr Gordon resigned as Director of ASX listed company Auteco Minerals (ASX: AUT) on 28 January 2020.

PAUL PAYNE B.AppSc Grad Dip Min Ec, FAusIMM
Non-executive Director

Experience and expertise

Mr Payne is a geologist and holds in excess of 30 years' experience in mining including 10 years independent consulting across a range of commodities and jurisdictions. Mr Payne has extensive technical experience in the evaluation of mineral deposits from early stage exploration to definitive feasibility studies. Recent exploration experience includes implementation and management of gold exploration for Dacian Gold in WA and Rift Valley Resources in Tanzania. Mr Payne has held corporate roles including Technical Director and Managing Director of ASX listed companies including founding Managing Director of Dacian Gold and was instrumental in the Company's successful IPO and making the major initial gold discovery at its Mount Morgans project.

Interests in shares and options

46,428,575 shares

Other current directorships

Mr Payne is a director of Carnaby Resources Limited (ASX:CNB) (since July 2016).
Mr Payne is a director of Essential Metals Limited (ASX:ESS) (since January 2020).

Former directorships in the last 3 years

Auteco Minerals (ASX:AUT)

DAVID CHAPMAN B.Sc (Hons), MAusIMM (Resigned 31 July 2019)
Non-executive Director

Mr Chapman is a geologist and senior executive with extensive experience in the international resource industry. His diverse experience in senior and corporate roles covers all aspects of the mining industry from exploration, operations and business development, through to feasibility studies, financing and construction across a range of commodities.

Other current directorships

Mr Chapman is a non-executive director of Tombador Iron Limited (ASX:TI1).

Former directorships in the last 3 years

Sabre Resources Limited (ASX:SBR)

COMPANY SECRETARY

JESSAMYN LYONS BComm, AGIA ICSA (Grad Dip Applied Corporate Governance)
Appointed 1 July 2020.

Experience and expertise

Ms Lyons is a Chartered Secretary, an Associate of the Governance Institute of Australia and holds a Bachelor of Commerce from the University of Western Australia with majors in Investment Finance, Corporate Finance and Marketing. Ms Lyons is also a Director of Everest Corporate and company secretary of Doriemus, Southern Hemisphere Mining, RBR Group and Los Cerros. Ms Lyons also has 15 years of experience working in the stockbroking and banking industries and has held various positions with Macquarie Bank, UBS Investment Bank (London) and more recently Patersons Securities.

DIRECTORS' REPORT

INFORMATION ON DIRECTORS (CONTINUED)

NICHOLAS DAY BCom; MBA; FFINSIA; ASCPA
Appointed 1 July 2019, Resigned 9 July 2020.

Experience and expertise

Nick Day has over 20 years' experience as a company director, CFO and company secretary for a broad range of listed and private technology companies and mining and exploration companies. He has extensive experience in Africa and Asia with strategic planning, business development, mergers and acquisitions, bankable feasibility studies, debt raising and project development.

KAITLIN SMITH B.Com (Acc); CA
Resigned 31 July 2019

Experience and expertise

Kaitlin Smith was appointed Company Secretary on 1 September 2015 and resigned on 31 July 2019. Ms Smith provides company secretarial and accounting services to various public and proprietary companies and holds a Bachelor of Commerce (Accounting) and is a Chartered Accountant.

Meetings of directors

The size of the Company does not warrant separate Audit & Risk, Remuneration and Nomination Committees at this time, accordingly the full Board performs comprises these roles. The numbers of meetings of the Company's board of directors held during the year ended 30 June 2020, and the numbers of meetings attended by each director were as follows:

	Meetings of directors	
	A	B
Paul Chapman	13	13
David Chapman*	1	1
Dean Tuck	13	13
Ian Gordon	13	13
Paul Payne	13	13

A = Number of meetings attended

B = Number of meetings held during the time the director held office during the year and was eligible to attend.

* Resigned on 31 July 2019

Indemnification and insurance of officers

The Company has indemnified the directors and officers of the Company for costs incurred, in their capacity as a director or officer, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and officers of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Proceedings on behalf of the Group

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

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

DIRECTORS' REPORT

INFORMATION ON DIRECTORS (CONTINUED)

Non-audit services

The Group may decide to employ the auditor on assignments additional to their statutory duties where the auditors' expertise and experience with the Group are important.

The board of directors is satisfied that the provision of any such 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 services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants (including Independence Standards) set by the Accounting Professional and Ethical Standards Board.

There were no fees for non-audit services paid or payable to the external auditors of the Parent Entity, their related practices or non-related audit firms during the year ended 30 June 2020.

Shares under option

At the date of this report unissued ordinary shares of the Group under option are:

Expiry date	Exercise price	Number of options	Vested	Unvested	Amount paid/payable by recipient (\$)
03/04/2024	\$0.01	40,000,000	40,000,000	-	-
25/05/2023	\$0.006	40,000,000	40,000,000	-	-
30/06/2024	\$0.005	9,500,000	9,500,000	-	-
09/04/2024	\$0.005	30,000,000	7,500,000	22,500,000	-
17/09/2024	\$0.008	10,000,000	10,000,000	-	-

Shares issued during or since year end as a result of exercise of options

Date granted	Exercise price	Number of shares issued	Date exercise	Amount paid for share (\$)
04/04/2019	\$0.01	10,000,000	17 July 2020	100,000
16/08/2019	\$0.005	7,500,000	17 July 2020	37,500
16/08/2019	\$0.005	1,000,000	5 August 2020	5,000
16/08/2019	\$0.005	15,000,000	20 August 2020	75,000

DIRECTORS' REPORT

INFORMATION ON DIRECTORS (CONTINUED)

Remuneration report – audited

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

- A Principles used to determine the nature and amount of remuneration
- B Details of remuneration
- C Share-based compensation
- D Shareholdings
- E Use of Remuneration Consultants
- F Relationship between remuneration and Company performance
- G Key Management Personnel Loan

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

A Principles used to determine the nature and amount of remuneration

The Group's policy for determining the nature and amounts of emoluments of board members and senior executive officers of the Group is as follows:

The Company's Constitution specifies that the total amount of remuneration of non-executive directors shall be fixed from time to time by a general meeting. The current maximum aggregate remuneration of non-executive directors has been set at \$300,000 per annum. Directors may apportion any amount up to this maximum amount amongst the non-executive directors as they determine. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties as directors.

Non-executive and executive directors' remuneration is by way of fees and statutory superannuation contributions. The Company's Incentive Options Plan was approved by shareholders on 16 August 2019. Directors may be eligible to participate in the Incentive Options Plan.

The Company's remuneration structure is based on a number of factors including the financial position of the Company and the particular experience and performance of the individual in meeting key objectives of the Company. The Board is responsible for assessing relevant employment market conditions and achieving the overall, long term objective of maximising shareholder benefits, through the retention of high quality personnel.

The Company does not presently emphasize payment for results through the provision of cash bonus schemes or other incentive payments based on key performance indicators of the Company given the nature of the Company's business as a mineral exploration entity. However, the Board may approve the payment of cash bonuses from time to time in order to reward individual executive performance in achieving key objectives as considered appropriate by the Board.

The Company also has an Employee Incentive Option Plan approved by shareholders on 16 August 2019 that enables the Board to offer eligible employees and directors options to acquire ordinary fully paid shares in the Company. Under the terms of the Plan, options for ordinary fully paid shares may be offered to the Company's eligible employees at no cost or no more than nominal monetary consideration unless otherwise determined by the Board in accordance with the terms and conditions of the Plan. The objective of the Plan is to align the interests of employees and shareholders by providing employees of the Company with the opportunity to participate in the equity of the Company as an incentive to achieve greater success and profitability for the Company and to maximise the long term performance of the Company.

DIRECTORS' REPORT

Remuneration report – audited (continued)

Voting and comments made at the Company's 2019 Annual General Meeting

Dreadnought Resources Limited received more than 98% of 'yes' votes on its remuneration report for the 2019 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

B *Details of remuneration*

This report details the nature and amount of remuneration for each key management person of the Company.

The names and positions held by directors and key management personnel of the Company during the financial year are:

- Mr P Chapman – Chairman, non-executive (appointed 9 April 2019)
- Mr D Tuck – Managing Director (appointed 9 April 2019)
- Mr I Gordon – Director, non-executive (since 21 December 2017)
- Mr P Payne – Director, non-executive (since 21 December 2017)
- Mr D Chapman - Director, non-executive (appointed 9 April 2019, resigned 31 July 2019)
- Mr N Day – Former Company Secretary and CFO (appointed 1 July 2019, resigned 9 July 2020)
- Ms K Smith – Former Company Secretary (resigned 31 July 2019)

The remuneration policy of the Group has been designed to align directors' objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates. By providing components of remuneration that are indirectly linked to share price appreciation (in the form of options and/or performance rights), executive, business and shareholder objectives are aligned. The board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Company, as well as create goal congruence between directors and shareholders.

The remuneration policy and the relevant terms and conditions has been developed by the full board of directors as the Company does not have a Remuneration Committee due to the size of the Company and the board. In determining competitive remuneration rates, the board reviews trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Reviews are performed to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

The Company is an exploration entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions, within the same industry.

There were no service or consulting agreements in place with key management personnel, except for Mr D Tuck, as noted below.

DIRECTORS' REPORT

Remuneration report – audited (continued)

Details of key management personnel remuneration

(a) Non-Executive Remuneration

2020	Short-Term				Post-employment			Long-term	Share-based payments	TOTAL	Total performance related	Options as % of total
	Salary fees	Cash bonus	Non-monetary	Other	Super-annuation	Retirement benefits	Termination benefits	Incentive plans	Options			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
P Chapman	-	-	-	-	-	-	-	-	36,627	36,627	-	100%
D Chapman*	-	-	-	-	-	-	-	-	-	-	-	-
I Gordon	-	-	-	-	-	-	-	-	36,627	36,627	-	100%
P Payne	-	-	-	-	-	-	-	-	36,627	36,627	-	100%
N Day**	80,500	-	-	-	-	-	-	-	-	80,500	-	-
K Smith***	11,213	-	-	-	-	-	-	-	-	11,213	-	-
Total	91,713	-	-	-	-	-	-	-	109,881	201,594	-	-

*Resigned on 31 July 2019.

**Appointed on 31 July 2019; Resigned on 9 July 2020. Mr Day was engaged under a service contract with 133 North Trust to act as Company Secretary and provide accounting and financial reporting services. Of the total invoiced amount to the Group of \$80,500, \$16,718 relates to payments to contractors engaged by 133 North Trust.

***Ms Smith was engaged under a service contract with AE Administrative Services Pty Ltd to act as Company Secretary. Ms Smith resigned on 31 July 2019.

DIRECTORS' REPORT

2019	Short-Term				Post-employment			Long-term	Share-based payments	TOTAL	Total performance related	Options as % of total
	Salary fees	Cash bonus	Non-monetary	Other	Super-annuation	Retirement benefits	Termination benefits	Incentive plans	Options			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
P Chapman	-	-	-	-	-	-	-	-	-	-	-	-
D Chapman*	-	-	-	-	-	-	-	-	-	-	-	-
I Gordon	27,000	-	-	-	-	-	-	-	-	27,000	-	-
P Payne	34,438	-	-	-	1,562	-	-	-	-	36,000	-	-
D Gordon**	27,800	-	-	-	-	-	-	-	-	27,800	-	-
N Day	-	-	-	-	-	-	-	-	-	-	-	-
K Smith***	88,205	-	-	-	-	-	-	-	-	88,205	-	-
Total	177,443	-	-	-	1,562	-	-	-	-	179,005	-	-

*Resigned on 31 July 2019

** Resigned on 9 April 2019

***Ms Smith was engaged under a service contract with AE Administrative Services Pty Ltd to act as Company Secretary. Ms Smith resigned on 31 July 2019.

(b) Executive remuneration – Mr D Tuck (appointed 9 April 2019)

Mr Dean Tuck, Managing Director, was employed by the Group in accordance with the terms and conditions outlined within his service agreement dated 9 April 2019. For the year ended 30 June 2020, Mr Tuck received a base salary of \$160,000 in short term remuneration (2019: \$53,333), with a further \$12,000 in post-employment superannuation contributions (2019: \$5,067). Both parties may terminate the employment agreement by giving notice of termination to each other on not less than one (1) months' notice in writing.

On 16 August 2019, the Group granted the Managing Director 10,500,000 unlisted incentive options exercisable at \$0.005 on or before 30 June 2024 vesting immediately, with a fair value of \$51,332 (see note 15(a)). The Group also granted the Managing Director 30,000,000 unlisted incentive options exercisable at \$0.005 on or before 9 April 2021 with a fair value of \$177,184 (see note 15(a)). Both tranches of incentive options were granted in order to align the long term interests of the Managing Director to that of the Group (together hereafter referred to as the 'long term incentive options').

DIRECTORS' REPORT

Remuneration report – audited (continued)

(b) Executive remuneration – Mr D Tuck (continued)

As per the Group's Notice of Meeting dated 22 November 2019, it was identified that the issue of the above 30,000,000 incentive options should have been for a 5-year term rather than for the 2-year term granted. At the General Meeting held 23 December 2019, it was approved to cancel these incentive options and issue the Managing Director with new incentive Options.

Due to an administrative oversight, the previous long term incentive options vested immediately when they were granted to the Managing Director and the total expense associated with these incentive options has been recognised at 30 June 2020. The Board has approved the revised long term incentive option plan whereby his ability to exercise the 40,500,000 long term incentive options would be subject to the following conditions:

10,500,000 incentive options

- Vest immediately may be exercised after grant date
- The options expired on 30 June 2024

30,000,000 incentive options

- 25% may be exercised on or after 30 June 2020
- A further 25% may be exercised on or after 30 June 2021
- A further 25% may be exercised on or after 30 June 2022
- The remaining 25% may be exercised on or after 30 June 2023
- The options expire on 9 April 2024

The above long term incentive option plan has been put in place in order to demonstrate the Managing Director's commitment to the Group and its shareholders for a long term scenario, with his ability to exercise a large portion of his incentive options now tied to his continued involvement over the next 4 years within his role. Had the above exercise agreement and relevant conditions been in place as at the time of the incentive options being granted, the relevant expense (non-IFRS) per financial year (as intended at the time of issue) would have been as follows:

Financial Year End	\$**
30 June 2020	95,628
30 June 2021	44,296
30 June 2022	44,296
30 June 2023	44,296
Total	<u>228,516</u>

** Non-IFRS measure

DIRECTORS' REPORT

Remuneration report – audited (continued)

C Share based compensation

Employee Incentive Options Plan

The Company has an Employee Incentive Options Plan approved by shareholders that enables the board to offer eligible employees and directors options to acquire ordinary fully paid shares in the Company. Under the terms of the Plan, options to acquire ordinary fully paid shares may be offered to the Company's eligible employees at no cost unless otherwise determined by the board in accordance with the terms and conditions of the Plan.

Options granted as remuneration

Incentive options were granted to directors and key management personnel of the Company during the year. The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry Date	Exercise Price	Fair value per option at grant date
P Chapman	7,500,000	16 Aug 2019	Every quarter over 30 June 2020 financial year	30 June 2024	\$0.005	\$0.005
I Gordon	7,500,000	16 Aug 2019	Every quarter over 30 June 2020 financial year	30 June 2024	\$0.005	\$0.005
P Payne	7,500,000	16 Aug 2019	Every quarter over 30 June 2020 financial year	30 June 2024	\$0.005	\$0.005
D Tuck	10,500,000	16 Aug 2019	Vest immediately	30 June 2024	\$0.005	\$0.005
D Tuck	30,000,000*	23 Dec 2019	Vest over 4 financial years	9 April 2024	\$0.005	\$0.006

* On 16 August 2019, 30,000,000 options with a 2 year term were issued to D Tuck which were subsequently cancelled and re-issued with a 5 year term on 23 December 2019.

Options granted carry no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the Company. Options vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

Shares issued on exercise of remuneration options

No shares were issued to directors as a result of the exercise of remuneration options during the financial year.

DIRECTORS' REPORT

Remuneration report – audited (continued)

Directors' interests in shares and options

Directors' relevant interests in shares and options of the Company are disclosed below.

Options

The number of options held by each key management person of the Group during the financial year is as follows:

	Balance at beginning of year	Granted as remuneration during the year	Net change other	Balance at year end	Total vested 30/06/20	Total exercisable 30/06/20
30 June 2020						
Directors						
P Chapman	30,000,000	7,500,000	-	37,500,000	37,500,000	37,500,000
D Chapman*	10,000,000	-	(10,000,000)	-	-	-
I Gordon	-	7,500,000	-	7,500,000	7,500,000	7,500,000
P Payne	-	7,500,000	-	7,500,000	7,500,000	7,500,000
D Tuck***	-	40,500,000	-	40,500,000	10,500,000	10,500,000
	40,000,000	63,000,000	(10,000,000)	93,000,000	63,000,000	63,000,000
Former Company Secretary						
N Day**	10,000,000	-	-	10,000,000	10,000,000	10,000,000
	10,000,000	-	-	10,000,000	10,000,000	10,000,000

*resigned 31 July 2019

**resigned on 15 July 2020

*** Net of 30,000,000 options, issued on 16 August 2019, with a 2 year term which were subsequently cancelled and replaced by a further 30,000,000 options with a 5 year term on 23 December 2019.

D Shareholdings

The number of ordinary shares held by each key management person of the Group during the financial year is as follows:

	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
30 June 2020					
Directors					
P Chapman	234,169,743	-	-	32,460,318	266,630,061
D Chapman*	62,270,555	-	-	(62,270,555)	-
D Tuck	8,333,333	-	-	5,376,984	13,710,317
I Gordon	35,655,345	-	-	4,170,636	39,825,981
P Payne	26,666,670	-	-	12,261,905	38,928,575
	367,095,646	-	-	(8,000,712)	359,094,934
Former Company Secretary					
N Day**	65,603,889	-	-	-	65,603,889
	65,603,889	-	-	-	65,603,889

*resigned 31 July 2019

**resigned on 15 July 2020

DIRECTORS' REPORT

D Shareholdings (Continued)

Other transactions with key management personnel and their related parties

Transactions with key management personnel and their related parties recognised during the year (excluding reimbursement of expenses incurred on behalf of the Company) relating to Directors and their Director related entities were as follows:

Director	Transaction	Consolidated	
		2020	2019
		\$	\$
D Gordon	Payments to a former director related entity for corporate advisory fees	-	60,000
D Gordon	Payments to a former director related entity for company secretary and accounting services (ie Adelaide Equity Partners Limited)	11,213	88,205
P Payne	Payments to a director related entity for consulting services (ie Payne Geological Services Pty Ltd)	-	10,800
D Chapman	Payments to a Director related entity for consulting services	-	47,091

No amounts were owing to related parties as at 30 June 2020 (2019: \$12,550 amount owing to D Gordon in relation to director fees (\$9,800) and company secretary and accounting services (\$2,750))

E Use of Remuneration Consultants

The Board seeks external remuneration advice as required. No such advice was obtained during the financial year ending 30 June 2020.

F Relationship between remuneration and Company performance

Remuneration for certain individuals is directly linked to the performance of the Group. Details of the earnings and total shareholders return for the last five years.

	2020	2019	2018	2017	2016
Operating revenue	72,163	3,474	3,993	3,892	352,251
Net profit/(loss)	(1,215,539)	(688,822)	(324,155)	(382,120)	(3,677,163)
Share price at year end	0.0060	0.0040	0.0050	0.0030	0.0068

G Key Management Personnel Loan

There were no loans issued to Key Management Personnel during the financial year (2019: Nil).

Remuneration report ends.

DIRECTORS' REPORT

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

The Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the board of directors.

A handwritten signature in blue ink, appearing to read 'D Tuck', is written over a faint rectangular background.

Dean Tuck
Managing Director

Dated 30 September 2020

DREADNOUGHT RESOURCES LIMITED**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF DREADNOUGHT RESOURCES LIMITED**

In relation to the independent audit for the year ended 30 June 2020, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

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

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD



J C PALMER
Executive Director
Perth, 30 September 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2020

		Consolidated	
	Note	30 June 2020 \$	30 June 2019 \$
Other income	2	2,543	3,474
Grant income		69,620	-
Administration expenses	3	(669,115)	(321,487)
Finance expense	3	(78,467)	-
Exploration expenditure		(10,429)	-
Legal fees		(62,182)	(9,716)
Impairment of exploration expenditure		(27,928)	(253,149)
Net gain on deregistration of subsidiaries	24	10,027	-
Director and employee benefits expense	3	(449,608)	(99,944)
Loss from continuing operations before income tax		(1,215,539)	(680,822)
Income tax benefit	4	-	-
Loss from continuing operations before income tax		(1,215,539)	(688,835)
Other comprehensive loss, net of income tax			
Equity instruments at fair value through other comprehensive loss	9	-	(8,013)
Total comprehensive loss for the year		(1,215,539)	(688,835)

Loss per share for loss attributable to the ordinary equity holders of the Company

	Note	Cents	
Cents			
Basic loss per share (cents)	16	(0.07)	(0.09)
Diluted loss per share (cents)	16	(0.07)	(0.09)

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

Consolidated Statement of Financial Position

As at 30 June 2020

		Consolidated	
	Note	30 June 2020 \$	30 June 2019 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	464,099	647,966
Trade and other receivables	7	51,393	18,917
Other assets	8	47,027	11,527
Total Current Assets		562,519	678,410
Non-Current Assets			
Plant and equipment	10	-	2,158
Exploration assets	11	5,104,501	2,130,136
Total Non-Current Assets		5,104,501	2,132,294
Total Assets		5,667,020	2,810,704
LIABILITIES			
Current Liabilities			
Trade and other payables	12	468,158	191,503
Provisions		23,663	3,077
Other financial liabilities	13	578,947	-
Total Current Liabilities		1,070,768	194,580
Non-Current Liabilities			
Other financial liabilities	13	-	560,480
Total Non-Current Liabilities		-	560,480
Total Liabilities		1,070,768	755,060
Net Assets		4,596,252	2,055,644
EQUITY			
Issued capital	14	43,389,962	40,263,315
Reserves	15	704,020	74,520
Accumulated losses		(39,497,730)	(38,282,191)
Total Equity		4,596,252	2,055,644

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

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2020

	Attributable to shareholders Dreadnought Resources Limited					Total
	Issued Capital	Accumulated Losses	Equity Reserve	FVOCI Reserve	Options Reserve	
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	38,106,938	(37,568,356)	-	(25,000)	-	513,582
Loss for year	-	(713,835)	-	33,013	-	(688,835)
Other comprehensive loss	-	-	-	(8,013)	-	-
Total comprehensive loss for the year	-	(713,835)	-	25,000	-	(688,835)
Transactions with owners in their capacity as owners						
Share issues, net of transaction costs and tax	376,805	-	-	-	-	376,805
Share issues, IronRinger acquisition	1,779,572	-	-	-	-	1,779,572
Equity component of convertible notes (Note 13)	-	-	39,520	-	-	39,520
Option issues, net of transaction costs and tax	-	-	-	-	35,000	35,000
Balance at 30 June 2019	40,263,315	(38,282,191)	39,520	-	35,000	2,055,644
Balance at 1 July 2019	40,263,315	(38,282,191)	39,520	-	35,000	2,055,644
Loss for year	-	(1,215,539)	-	-	-	(1,215,539)
Other comprehensive loss	-	-	-	-	-	-
Total comprehensive loss for the year	-	(1,215,539)	-	-	-	(1,215,539)
Transactions with owners in their capacity as owners						
Share issues, net of transaction costs and tax (Note 14)	3,126,647	-	-	-	-	3,126,647
Option issues, net of transaction costs and tax (Note 15)	-	-	-	-	629,500	629,500
Balance at 30 June 2020	43,389,962	(39,497,730)	39,520	-	664,500	4,596,252

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

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2020

	Consolidated	
	30 June 2020	30 June 2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Payments to suppliers and employees	(555,160)	(429,276)
Interest received	2,544	3,474
Interest and other costs of finance paid	(60,000)	-
Government grants (not including EIS)	69,620	-
Net cash used in operating activities	<u>25</u> (542,996)	<u>(425,802)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for exploration assets	(2,549,285)	(269,249)
Proceeds from the sale of investments in equity instruments	-	16,987
Payment for property, plant and equipment	-	(2,160)
Net cash used in investing activities	<u>(2,549,285)</u>	<u>(254,422)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of shares	3,115,895	417,908
Capital raising costs	(207,481)	(40,169)
Proceeds from convertible notes	-	600,000
Net cash provided by financing activities	<u>2,908,414</u>	<u>977,739</u>
Net (decrease)/increase in cash and cash equivalents held	(183,867)	297,515
Cash and cash equivalents at beginning of year	647,966	350,451
Cash and cash equivalents at end of financial year	<u>464,099</u>	<u>647,966</u>

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

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated Financial Statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The Financial Statements are for the consolidated entity consisting of Dreadnought Resources Limited and its subsidiaries.

(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. Dreadnought Resources Limited is a for profit entity for the purpose of preparing the financial statements.

(i) **Compliance with IFRS**

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

(ii) **Historical cost convention**

These financial statements have been prepared on an accrual basis, under the historical cost convention, as modified by the revaluation of financial assets through OCI.

(iii) **Critical accounting estimates**

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

(b) Going concern

The financial statements have been prepared on a going concern basis which assumes the Company and Group will have sufficient funds to pay its debts, as and when they become payable, for a period of at least 12 months from the date the financial report is authorised for issue.

As at 30 June 2020, the Group had net assets of \$4,596,252 (2019: \$2,055,644) and net current liabilities of \$508,249 (2019: net current assets of \$483,830). Included in net current liabilities as at 30 June 2020 is \$578,947 (at amortised cost), representing a \$600,000 convertible note within a redemption date (as at 30 June 2020) within the 12 months of balance date, unless converted by the note holder on or before that date. On 15 August 2020, the Group extended the maturity date of the Convertible Loan Note Deed to 2 July 2021. In addition, during the financial year, the Group had cash outflows from operating activities of \$542,996 (2019: \$425,802) and cash outflows from investing activities (including payments for exploration) of \$2,549,285 (2019: \$269,249).

The Group's cash flow forecast out to 30 September 2021 indicates that the Group will need to raise additional funds to meet expenditure commitments, its business plan and its current level of corporate overheads to continue as a going concern.

To address the future funding requirements of the Group, the Directors have:

- developed a business plan that provides encouragement for investors to invest; and
- continued their focus on maintaining an appropriate level of corporate overheads in line with the Group's available cash resources.

Subsequent to year end, 33,500,000 unlisted options were exercised raising \$217,500. In August 2020, the Group completed a share placement at \$0.009 per share to sophisticated investors. The placement raised \$1,536,000 before costs.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (continued)

(b) Going concern (continued)

The directors are confident that the Group will be able to complete a fund raising to meet the Group's funding requirements for the forecast period ending 30 September 2021. The directors therefore believe that it is appropriate to prepare the 30 June 2020 financial statements on a going concern basis.

In the event that the Group is not able to successfully complete the fund raising referred to above, material uncertainty would exist as to whether the Company and Group will continue as a going concern and, therefore, whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts and classification of liabilities that might be necessary should the Company and the Group not continue as a going concern.

(c) Basis of Consolidation

The Group financial statements consolidate those of the Parent and all of its subsidiaries. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June. All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss. Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

(d) Investments in joint arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required. Separate joint venture entities providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements. Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

(e) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated. Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (continued)

(f) Income Tax

The tax expense recognised in the profit or loss and other comprehensive income relates to current income tax expense plus deferred tax expense (being the movement in deferred tax assets and liabilities and unused tax losses during the year).

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax consequences relating to a non-monetary asset carried at fair value are determined using the assumption that the carrying amount of the asset will be recovered through sale.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

Dreadnought Resources Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity in the group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation.

Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity.

The tax consolidated group has entered into a tax funding arrangement whereby each company in the group contributes to the income tax payable by the group in proportion to their contribution to the group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (continued)

(g) Leases

The Group as lessee

At inception of a contract, the Group assesses if the contract contains a lease or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset. On adoption of AASB 16 Leases at 1 July 2019, and as at 30 June 2020, the Group does is not party to any material leases.

(h) Revenue and other income (including government grants)

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates. Interest revenue is recognised as interest accrues. Government grants are recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

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

(i) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

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

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (continued)

(j) Property, Plant and Equipment

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Plant and equipment

Plant and equipment is measured on a cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the assets' carrying amounts or recognised as separate assets as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial year in which they are incurred.

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a reducing balance method from the date that management determine that the asset is available for use. The depreciation rates used for each class of depreciable assets vary from 25% to 40%.

(k) Financial instruments

Classification and Measurement

Under AASB 9, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Under AASB 9, debt financial instruments are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI).

Classification is based on two criteria:

- The Group's business model for managing the assets; and
- Whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

The classification and measurement of the Group's debt financial assets are, as follows:

- Debt instruments are amortised cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group's Trade and other receivables.

Other financial assets are classified and subsequently measured, as follows:

- Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition. This category only includes equity instruments which the Group has irrevocably elected to so classify upon initial recognition or transition.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

Impairment

The Group applies the AASB 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

Where applicable, in measuring the expected credit losses, the trade receivables are assessed on a collective basis as they possess shared credit risk characteristics. They are grouped based on the days past due.

The expected loss rates are based on the historic payment profile for as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding.

Trade receivables are written off when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Group on alternative payment arrangement amongst others is considered indicators of no reasonable expectation of recovery.

Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

As the Group does not hold the irrevocable right as at 30 June 2020 to defer settlement of the convertible notes, the liability component has been treated as current. Refer note 13 for details.

Interest related to the financial liability is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

(l) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (continued)

(m) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, 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 12 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Any bank overdrafts the Group have are shown within borrowings in current liabilities in the consolidated statement of financial position.¹

Summary of Significant Accounting Policies (continued)

(n) Employee benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The Group's liabilities for annual leave and long service leave are included in other long term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds (2015: government bonds) that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Group presents employee benefit obligations as current liabilities in the statement of financial position if the Group does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

(o) Loss per share

Dreadnought Resources Ltd presents basic and diluted loss per share information for its ordinary shares.

Basic loss per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(p) Share capital

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

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (continued)

(q) Share Based Payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees and non-employee. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black Scholes pricing model which incorporates all market vesting conditions. The amount to be expensed is determined by reference to the fair value of the options or shares granted. This expense takes in account any market performance conditions and the impact of any non-vesting conditions but ignores the effect of any service and non-market performance vesting conditions.

Non-market vesting conditions are taken into account when considering the number of options expected to vest. At the end of each reporting period, the Group revises its estimate of the number of options which are expected to vest based on the non-market vesting conditions. Revisions to the prior period estimate are recognised in profit or loss and equity.

If the Group modifies the terms or conditions of the equity instruments granted in a manner that reduces the total fair value of the share-based payment arrangement, or is not otherwise beneficial to the employee, the Group shall nevertheless continue to account for the services received as consideration for the equity instruments granted as if that modification had not occurred. In addition, the Group recognises the effect of modifications that increase the total fair value of the share-based payment arrangement or are otherwise beneficial to the employee.

(r) Exploration and development expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. As the asset is not available for use it is not depreciated or amortised.

Accumulated costs in relation to an abandoned area are impaired in full against profit or loss in the period in which the decision to abandon that area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(s) Reserves

FVOCI reserves represent financial assets at fair value through other comprehensive income reserve. The reserve records fair value change of equity instruments. Share-based payment reserves represent fair value of the option issued to the IronRinger vendor. The equity reserve represents the equity component (conversion rights) on the issue of unsecured convertible notes.

(t) Key estimates

The preparation of the consolidated financial statements requires management to make estimates and judgments. These estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (continued)

(t) Key estimates (continued)

(i) Estimated impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets as noted in note 1(l). Where an impairment trigger exists, the recoverable amount of the asset is determined.

(ii) Exploration and evaluation

The Group policy for exploration and evaluation is discussed in note 1(r). The application of this policy requires management to make certain assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future sale or exploration, then the relevant capitalised amount will be written off through the statement of profit or loss. The related carrying amounts are disclosed in note 3.

(iii) Compound financial instrument

The Group's policy for compound financial instrument is discussed in Note 1(k). The fair value of the liability component is determined based on the contractual stream of future cash flows which is discounted at the rate of interest (14%) that would apply to an identical financial instrument without the conversion option. The Group uses its judgement to determine the discount rate based on the market interest rates existing at the end of each reporting period.

(iv) Estimation of tax losses carried forward

Potential future income tax benefits attributable to gross tax losses of \$27,992,307 (2019: \$26,260,394) carried forward have not been brought to account at 30 June 2020 because the Directors do not believe it is appropriate to regard realisation of the future tax benefit as probable. These benefits will only be obtained if:

- (i) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the losses and deductions to be released;
- (ii) the Group continues to comply with the conditions for deductibility imposed by the law; and
- (iii) no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the losses.

Tax losses carried forward have no expiry date.

(v) Joint control

The Group's accounting policy for Joint Arrangements is set out in Note 1(d). AASB 11 Joint Arrangements requires an investor to have contractually agreed the sharing of control when making decisions about the relevant activities (in other words requiring the unanimous consent of the parties sharing control). However, what these activities are is a matter of judgement. As at the reporting date 30 June 2020, the Group does not have any Joint Arrangements as defined in this policy. While there are agreements in place with other parties (for the Group's 80% interest in certain tenements which form part of its Tarraji-Yampi project), there is no joint control over decisions about relevant activities required to progress these projects. For the Tarraji-Yampi project, it is the view of the Group that it controls this project through its 80% interest.

(u) Financial report

The financial report was authorised for issue on 29 September 2020 by the Board of directors.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (continued)

(v) Adoption of new and revised accounting standards and interpretations

In the year ended 30 June 2020, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting periods beginning on or after 1 July 2020.

AASB 16 replaces AASB 117 Leases and sets out the principles for the recognition, measurement, presentation and disclosure of leases. AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments. A lessee measures right-of-use assets similarly to other nonfinancial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying AASB 107 Statement of Cash Flows. AASB 16 substantially carries forward the lessor accounting requirements in AASB 117 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

AASB 16 is effective from annual reporting periods beginning on or after 1 January 2019. A lessee can choose to apply the Standard using a full retrospective or modified retrospective approach.

There is no material impact to profit or loss or net assets on the adoption of this new standard in the current or comparative periods as leases were only short term leases and low value leases.

(w) New accounting standards and interpretations that are not yet mandatory

The following relevant standards and interpretations have been issued by the Australian Accounting Standards Board (AASB) but are not yet effective for the year ending 30 June 2020:

AASB 2018-6: Amendments to the Australia Accounting Standards – Definition of a business

This standard amends AASB 3 Business Combinations' ("AASB 3") definition of a business. To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contributes to the ability to create outputs. The new guidance provides a framework to evaluate when an input and a substantive process are present. The revisions to AASB 3 also introduced an optional concentration test. If the concentration test is met, the set of activities and assets acquired is determined not to be a business combination and asset acquisition accounting is applied. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The Group's assessment of the impact of this new amendment is that it is not expected to have a material impact on the Group in the current or future reporting periods.

Other standards not yet applicable

A number of other standards, amendments to standards and interpretations issued by the AASB which are not materially applicable to the Group have not been applied in preparing these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2020

2 Other Income

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Interest received	2,543	3,474

3 Expenses

Loss before income tax from continuing operations includes the following expenses:

Administration expenses

Bank fees	714	153
Compliance and regulatory	113,501	60,514
Computer expenses	23,750	3,106
Consulting fees (a)	382,145	169,598
Insurance	26,822	19,066
Seminar/conference	5,831	142
Share registry	84,246	41,683
Travel and accommodation	4,009	16,594
Other	28,097	10,631
	669,115	321,487

(a) Consulting fees

Accounting and secretarial services	120,715	91,705
Tenement related	59,106	-
Corporate consulting fees	202,324	77,893
	382,145	169,598

Director and employee benefit expenses

Director fees	-	90,800
Wages and salaries	29,083	-
Share based payment (note 15)		
- Directors	338,396	-
- Employees	58,780	-
Superannuation	2,763	6,093
Other employee benefit	20,586	3,051
	449,608	99,944

Finance expense

Of the total balance, \$60,000 (2019: nil) relates to payment on the convertible loan note interest which were cash in nature. The remaining relates to interest accrued on the convertible loan note of \$18,467 (2019: Nil)

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

4 Income Tax Expense

Income tax expense/(benefit)

	2020	2019
	\$	\$
Current tax	(1,026,276)	(653,665)
Deferred tax	1,026,276	653,665
Relating to origination and reversal of temporary differences	(262,973)	(232,423)
Deferred tax expense (benefit) not recognised	262,973	232,423
Income tax expense (benefit) reported in income statement	-	-

Consolidated	
30 June 2020	30 June 2019
\$	\$

Reconciliation of income tax to accounting loss:

Prima facie profit/(loss) from ordinary activities	(1,215,539)	(680,822)
Tax at the Australian tax rate of	27.5%	27.5%
Prima facie tax expenses/(income) on ordinary activities	(334,273)	(187,226)
Add:		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non assessable income	(17,188)	-
Other non allowable items	379	-
Share based payments	109,224	-
Impairment of exploration assets	-	69,616
JMEI forgone tax losses	550,000	-
Tax effect of temporary differences not brought to account as they do not meet the recognition criteria	(308,142)	117,610
	-	-

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

4 Income Tax Expense (continued)

	STATEMENT OF FINANCIAL POSITION	
	2020	2019
	\$	\$
Deferred Income Tax		
Deferred income tax at 30 June relates to the following		
<i>Deferred tax liabilities</i>		
Prepayments	(7,340)	(3,170)
Plant & equipment	-	-
Exploration assets	(1,376,979)	(585,754)
<i>Deferred tax assets</i>		
Accruals	12,641	14,859
Provision for employee entitlements	6,507	-
Section 40-880 expenditure	84,110	19,052
Revenue tax losses	7,703,729	7,221,608
Capital losses	466,764	466,764
Deferred tax assets not brought to account as realisation is not probable	(6,889,432)	(7,133,359)
Deferred tax assets	-	-

A deferred tax liability of \$45,168 (2019: \$11,047) was recognised in equity during the financial year.

A deferred tax asset (DTA) has not been recognised in respect of temporary differences as they do not meet the recognition criteria per AASB 112 *Income Taxes*. A DTA has not been recognised in respect of tax losses as realisation of the benefit is not regarded as probable.

The Group is part of a tax consolidated group in accordance with the tax consolidation legislation. The Group has unrecognised assessed gross tax losses of \$27,992,307 (2019: \$26,260,394) that are available indefinitely for offset against future taxable profits of the Group.

The tax rates applicable to each potential tax benefit are as follows:

Timing differences – 27.5%;
 Tax losses – 27.5%.

The Group has JMEI credits available from the Australian Taxation Office of \$600,000 in respect of the year ending 30 June 2020. The JMEI entitles Australian resident investors in eligible minerals exploration companies to obtain either a refundable tax offset or (where the Eligible Investor is a corporate tax entity) franking credits.

The maximum amount of credit the Group can create in the 2020 year is the lesser of the following:

- (a) 2020 greenfield exploration expenditure x 30% tax rate;
- (b) 2020 tax loss x 30% tax rate; or
- (c) JMEI credits of \$600,000.

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

5 Operating Segments

The directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the board) in allocating resources and have concluded that at this time are no separately identifiable segments. The principal products and services of this operating segment are the mining and exploration operations predominately in Western Australia.

6 Cash and cash equivalents

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Cash at bank and in hand	464,099	647,966
	<u>464,099</u>	<u>647,966</u>

7 Trade and other receivables

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
CURRENT		
GST receivable	32,930	18,867
Other receivables	18,463	50
Total current trade and other receivables	<u>51,393</u>	<u>18,917</u>

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

As at 30 June 2020 there were no material trade and other receivables that were considered to be past due or impaired (2019: Nil) and therefore there no expected loss credit provision required.

8 Other assets

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
CURRENT		
Prepayments	47,027	11,527
Total other assets	<u>47,027</u>	<u>11,527</u>

9 Investment in equity instruments

In April 2019, the Company sold 25,000,000 shares in Maximus Resources (ASX: MXR) for \$16,987.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

10 Property, plant and equipment

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
PLANT AND EQUIPMENT		
At cost	4,308	4,308
Accumulated depreciation and impairment	(4,308)	(2,150)
Total property, plant and equipment	-	2,158

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

Consolidated	Computer Equipment \$	Computer Software \$	Exploration Equipment \$	Total \$
Year ended 30 June 2020				
Balance at the beginning of year	1,142	98	918	2,158
Impairment	(1,142)	(98)	(918)	(2,158)
Balance at the end of the year	-	-	-	-

Consolidated	Computer Equipment \$	Computer Software \$	Exploration Equipment \$	Total \$
Year ended 30 June 2019				
Balance at the beginning of year	27	163	-	190
Acquisition	1,220	-	940	2,160
Depreciation expense	(105)	(65)	(22)	(192)
Balance at the end of the year	1,142	98	918	2,158

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

11 Exploration and evaluation assets

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Exploration and evaluation	5,104,501	2,130,136
	5,104,501	2,130,136
		\$
Balance at beginning of the year		2,130,136
Impairment		(27,928)
Expenditure incurred		2,902,293
Cash acquisition (i)		100,000
Equity based acquisition (Note 14 and 26)		180,000
Balance at end of the year		5,104,501
2019		
Balance at beginning of the year		252,521
Impairment (ii)		(253,149)
Expenditure incurred		424,484
Equity based acquisition (Note 26)		1,814,572
Balance at end of the year		2,130,136

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(i) The Company signed an agreement with Melville Raymond Dalla-Costa ("Dalla-Costa), granting the Company an exclusive license and option to acquire 100% interest in tenement E30/485 and E29/965. The Company has paid an Initial Option Fees of \$100,000 on 12 December 2019. The option term may be extended for an additional fifteen (15) months by the Company given an extension notice to Dalla-Costa and paying the option extension fee no less that 30 days prior to the expiry of the Option term. Upon the Company giving an exercise notice, Dalla-Costa agrees to sell and the Company agrees to purchase the tenement free from all encumbrances in consideration for \$1 million.

(ii) The impairment of the exploration assets in 2018/2019 relates predominantly to the impairment within the Spargoville and Tanami Areas of Interest. During the period there was no field work performed by Ramelius Resources (ASX: RMS) relating to the Tanami Joint Venture. The Group and Ramelius surrendered 7 tenements of the Tanami Joint Venture during the period. Subsequently, the board has resolved to terminate the Tanami Joint Venture Agreement and surrender the remaining tenement. Refer to Note (d) and Note (t)(v) for accounting policies and key estimates respectively.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

12 Trade and other payables

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	392,453	64,694
Accrued expenses	63,984	116,556
PAYG and wages payable	1,721	4,160
Superannuation payable	-	6,093
Total trade and other payables	468,158	191,503

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

13 Other financial liabilities

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Convertible notes – liability component - current (note (i))	578,947	-
Convertible notes – liability component - non current	-	560,480
Total financial liabilities	578,947	560,480

Note (i) Convertible note deed related to issuance of 600,000 convertible notes (the “Note Issuance”) was entered between the Company and three subscribers and \$600,000 was received from these subscribers in June 2019. The Note Issuance was subsequently approved at a General Meeting of shareholders on 16 August 2019. Each of the Convertible Notes carries a face value of \$1.00 with an annual interest rate of 10% and maturity date of 2 July 2021. The holder may elect to convert into shares at \$0.0055 per share. Upon the occurrence of default, the lender may require immediate redemption of all outstanding Note together with all interest and other outstanding moneys to be immediately due and payable to the lender. The Convertible Note was determined to be a compound financial instrument, resulting in a split between liability and equity components (Note 1(k)). The fair value of the liability component is determined based on the contractual future cash flows which is discounted at the rate of interest (14%) that would apply to an identical financial instrument without the conversion option. At recognition, \$39,520 was attributed to equity component.

As the Group did not hold the irrevocable right to defer settlement of the convertible notes as at 30 June 2020, the liability component has been treated as current.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

14 Issued Capital

		Consolidated	
		30 June 2020	30 June 2019
		\$	\$
(a) Ordinary Shares		43,389,962	40,263,315
		43,389,962	40,263,315
Date		No.	\$
01/07/2018	At 1 July 2018	577,156,607	38,106,938
31/01/2019	Non-renounceable rights issue	65,324,977	195,975
25/02/2019	Issued shares to a Director of the Company	13,333,334	40,000
29/03/2019	Placement	51,666,666	155,000
04/04/2019	Issued to IronRinger vendors (Note 26)	373,333,334	1,493,333
24/04/2019	Placement	8,666,666	26,000
02/05/2019	Issued to parties in connection with IronRinger acquisition (Note 26)	20,000,000	80,000
28/06/2019	Issued to parties in connection with 100% acquisition of IronRinger (Tarraji) Pty Ltd (Note 26)	51,559,604	206,238
	Less: transaction costs	-	(40,169)
At 30 June 2019		1,161,041,188	40,263,315
Date		No.	\$
01/07/2019	At 1 July 2019	1,161,041,188	40,263,315
03/07/2019	Share Placement – Sophisticated and professional investors	165,131,627	495,395
01/08/2019	Share Purchase Plan – Eligible shareholders	140,166,663	420,500
21/11/2019	Share Placement – Sophisticated and professional investors	219,761,918	1,384,500
28/11/2019	Share Placement – Sophisticated and professional investors	23,095,243	145,500
23/12/2019	Director & Management participation in Placement	26,984,129	170,000
16/01/2020	Shares issued in part consideration for the acquisition of the Wombarella and Metzke's Projects (Note 11 and 26)	30,500,000	180,000
19/05/2020	Share Placement - Sophisticated and professional investors	107,500,000	430,000
19/05/2020	Director & Management participation in Placement	17,500,000	70,000
19/05/2020	Less: Transaction costs	-	(169,248)
At 30 June 2020		1,891,680,768	43,389,962

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2020

14 Issued Capital (Continued)

Capital Management

Management controls the capital of the Group in order to maintain and generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group received a total amount of \$600,000 raising from Convertible Notes. The issue of Convertible Notes was approved by shareholders on 16 August 2019. The Convertible Notes each with a face value of \$1.00 bear interest at 10% per annum, have a Conversion Price of \$0.0055 and mature on 2 July 2021. On 15 August 2020, the Group extended the maturity date of the Convertible Loan Note Deed to 2 July 2021.

The Group is not subject to any externally imposed capital requirements. Management effectively manages the Group capital by assessing the Group financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

(b) Options

The details of the unlisted options are as follows:

Number	Exercise Price \$	Expiry Date
50,000,000	0.010	3-Apr-24
33,000,000	0.005	30-Jun-24
30,000,000	0.005	9-Apr-24
10,000,000	0.008	17-Sep-24
40,000,000	0.006	25-May-23
<hr/> <u>163,000,000</u>		

Refer Note 15(a) for further information.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

15 Reserves

		Consolidated	
		30 June 2020	30 June 2019
		\$	\$
	Options reserve (a)	664,500	35,000
	Equity reserve (b)	39,520	39,520
		704,020	74,520
(a) Options Reserve			
		No.	\$
At 1 July 2019		-	-
Grant Date			
3/4/2019	Options issued – IronRinger vendor (Note 26)	50,000,000	35,000
At 30 June 2020		50,000,000	35,000
		No.	\$
At 1 July 2019		50,000,000	35,000
Grant Date			
16/08/2019	Options issued – Directors' options (1)	22,500,000	109,880
16/08/2019	Options issued – Managing Director's options (2)	40,500,000	51,332
17/09/2019	Options issued – Exploration Manager's incentive options (3)	10,000,000	58,780
22/11/2019	Options cancelled – Managing Director's Options (2)	(30,000,000)	-
23/12/2019	Options issued – Managing Director's options (4)	30,000,000	177,184
25/05/2020	Options issued – Broker's options (5)	40,000,000	232,324
At 30 June 2020		163,000,000	664,500

- 1) On 16 August 2019, the Group granted 22,500,000 unlisted options exercisable at \$0.005 on or before 30 June 2024, vesting in four quarterly tranches from 1 July 2019 to 30 June 2020.
- 2) On 16 August 2019, the Group granted 10,500,000 unlisted incentive options exercisable at \$0.005 on or before 30 June 2024, vesting immediately to the Managing Director. The Group also granted 30,000,000 unlisted incentive options exercisable at \$0.005 on or before 9 April 2021.

As per the Group's Notice of Meeting dated 22 November 2019, it was identified that the issue of the above 30,000,000 incentive options was not consistent with the Managing Director's executive services contract. At the General Meeting held 23 December 2019, it was approved to cancel these options and issue the Managing Director with replacement of long term incentive options in lieu of these instruments (refer to (4) below).

- 3) On 17 September 2019, the Group granted 10,000,000 unlisted incentive options exercisable at \$0.008 on or before 17 September 2024, vesting immediately to the Exploration Manager.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2020

15 Reserves (continued)

(a) Options Reserve (continued)

- 4) On 23 December 2019, the Group granted 30,000,000 unlisted incentive options exercisable at \$0.005 on or before 9 April 2024, vesting annually over 4 financial years to the Managing Director.

As detailed above at (2), these options were replacement instruments for the Managing Director. The amount expensed in relation to these instruments is the incremental increase in fair value as a result of the change in terms from an expiry life 9 April 2021 to 9 April 2024. Refer to Remuneration Report for further details.

- 5) During the year, the Group engaged the services of Shaw and Partners as broker to manage the placement. The Group has agreed to pay the broker a fee of 6% of the funds raised under the placement and 40,000,000 options as part of a 12-month corporate mandate. The options are exercisable at \$0.006 on or before 25 May 2023 vesting immediately to the broker.

The share options outstanding at the end of the financial year had a weighted average remaining contractual life of 3.87 years (2019: 4.76 years) and weighted average exercise price of \$0.01 (2019: \$0.01).

Fair value of options issued during the year

The fair value of options issued during the year ended 30 June 2020 were valued using a Black-Scholes pricing model with the following inputs:

- (1) The options were deemed to have a fair value of \$0.00489 per option. This value was calculated using the Black-Scholes option pricing model applying the following inputs:

Share price	\$0.005
Exercise price	\$0.005
Expected volatility	203.65%
Risk-free interest rate	0.68%
Useful life/term	5

- (2) The options were deemed to have a fair value of \$0.00489 per option. This value was calculated using the Black-Scholes option pricing model applying the following inputs:

Share price	\$0.005
Exercise price	\$0.005
Expected volatility	203.65%
Risk-free interest rate	0.68%
Useful life/term	5

- (3) The options were deemed to have a fair value of \$0.00588 per option. This value was calculated using the Black-Scholes option pricing model applying the following inputs:

Share price	\$0.006
Exercise price	\$0.008
Expected volatility	211.56%
Risk-free interest rate	0.89%
Useful life/term	5

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

15 Reserves (continued)

(a) Options Reserve (continued)

(4) The options were deemed to have a fair value of \$0.00591 per option. This value was calculated using the Black-Scholes option pricing model applying the following inputs:

Share price	\$0.006
Exercise price	\$0.005
Expected volatility	212.37%
Risk-free interest rate	0.98%
Useful life/term	5

(5) The options were deemed to have a fair value of \$0.00538 per option. This value was calculated using the Black-Scholes option pricing model applying the following inputs:

Share price	\$0.006
Exercise price	\$0.006
Expected volatility	187.7%
Risk-free interest rate	0.26%
Useful life/term	3

A share based payment expense has been included within the Consolidated Statement of Profit or Loss and Other Comprehensive Income, with the expense recognised over the useful life/term of the options. The total share based payment expense for the year in respect to equity instruments issued was \$629,500. Of the total amounts, \$232,324 and \$397,176 was classified under Consulting Fees (Note 3a) and Director & Employee Benefits in the profit and loss respectively.

(b) Equity Reserve

Relates to the equity component of the Convertible Note. Refer Note 13 for more details.

16 Loss per Share

	Consolidated year	
	30 June 2020	30 June 2019
	\$	\$
(a) Basic loss per share		
Loss attributable to the ordinary equity holders	(1,215,539)	(680,822)
Weighted average number of shares outstanding during the year	1,642,562,893	717,425,329
Basic loss per share (cents)	(0.07)	(0.09)

(b) Dilutive earnings per share

In accordance with AASB 133 Earnings per Share, potential ordinary shares in the form of options and convertible notes are antidilutive when their conversion to ordinary shares decrease loss per share from continuing operations. The calculation of diluted earnings/(losses) per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings/(losses) per share.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

17 Capital and Leasing Commitments

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Exploration expenditure commitments payable:		
Not later than 12 months	589,394	708,262
Between 12 months and five years	825,189	550,447
Later than five years	-	-
	<hr/>	<hr/>
Total exploration tenement minimum expenditure	1,414,583	1,258,709

The Group can seek deferral of minimum expenditures or relinquish tenements as required.

18 Financial Risk Management

The Group is exposed to a variety of financial risks through its use of financial instruments. This note discloses the Group's objectives, policies and processes for managing and measuring these risks. The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets. The Group does not speculate in financial assets.

Specific risks

- Market risk - currency risk, interest rate risk and equity price risk
- Credit risk
- Liquidity risk

The principal categories of financial instrument used by the Group are:

- Investments in equity instruments
- Cash at bank
- Trade and other receivables
- Trade and other payables (excluding accruals)
- Other financial liabilities – convertible notes

Objectives, policies and processes

Specific information regarding the mitigation of each financial risk to which the Group is exposed is provided below.

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The Group maintains cash to meet its liquidity requirements for up to 30-day periods. The Group manages its liquidity needs by carefully monitoring long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly. At the reporting date, these reports indicate that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

18 Financial Risk Management (continued)

Liquidity risk (continued)

The Group's assets and liabilities have contractual maturities which are summarised below:

	Within 1 year		More than 1 year	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	464,099	647,966	-	-
Trade and other receivables	51,393	18,917	-	-
	515,492	666,883	-	-
Financial Liabilities				
Trade and other payables	394,174	74,947	-	-
Convertible notes – liability component, at amortised cost	578,947	-	-	660,000
	1,068,158	74,947	-	560,480

Market risk

(i) Foreign currency sensitivity

All of the Group transactions are carried out in Australian Dollars, therefore the Group is not exposed to foreign exchange risk.

(ii) Cash flow interest rate sensitivity

The Company received shareholders' approval for the issuance of 600,000 Convertible Notes on 16 August 2019. The Group's sensitivity to interest rates cash flow are not affected as the Convertible Notes carry fixed interest at a rate of 10% per annum. Interest rate risk on cash and cash equivalents is not considered to be a material risk due to the short term nature of these financial instruments.

(iii) Equity price sensitivity

The Group's listed and non-listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. The Group's Board of Directors reviews and approves all equity investment decisions. In April 2019, the Group sold 25,000,000 shares in Maximus Resources Limited (ASX: MXR) for \$16,987.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions. Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due. The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. The long term and short term ratings is AA- and A-1+ respectively (Source: S&P Global Ratings).

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

18 Financial Risk Management (continued)

Net fair values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the consolidated statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded.

	30 June 2020		30 June 2019	
	Net Carrying Value	Net Fair value	Net Carrying Value	Net Fair value
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	464,099	464,099	647,966	647,966
Trade and other receivables	51,393	51,393	18,917	18,917
Total financial assets	515,492	515,492	666,883	666,883
Financial liabilities				
Trade and other payables	394,174	394,174	74,947	74,947
Convertible notes – liability component	578,947	578,947	560,480	560,480
Total financial liabilities	973,121	973,121	635,427	635,427

19 Dividends

There were no dividends paid during the year (2019: nil).

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

20 Key Management Personnel Disclosures

The totals of remuneration paid to the key management personnel of Dreadnought Resources Ltd during the year are as follows:

	Consolidated year ended	
	30 June 2020	30 June 2019
	\$	\$
Short-term employee benefits	251,713	230,776
Post-employment benefits	12,000	6,629
Share based payments	338,396	-
Total Remuneration	602,109	237,405

The Remuneration Report contained in the Directors' Report contains details of the remuneration paid or payable to each member of the Group's Key Management Personnel for the years ended 30 June 2020 and 30 June 2019.

Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 24: Related Party Transactions.

21 Remuneration of Auditors

	Consolidated year ended	
	30 June 2020	30 June 2019
	\$	\$
Remuneration of the auditor, for:		
Auditing or reviewing the financial report		
- Grant Thornton (Australia)	-	34,460
- Pitcher Partners BA&A Pty Ltd (Australia)	33,000	-
JV audit		
- Pitcher Partners BA&A Pty Ltd (Australia)	5,150	-
	38,150	34,460

22 Deed of Cross-Guarantee

The Parent entity has not entered into any guarantees, in the current or previous financial year, in relation to the debts of its subsidiaries.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

23 Contingent Liabilities

The Company signed an agreement with Melville Raymond Dalla-Costa ("Dalla-Costa"), granting the Company an exclusive license and option to acquire 100% interest in tenement E30/485 and E29/965. The Company has paid an Initial Option Fees of \$100,000 on 12 December 2019. The option term may be extended for an additional fifteen (15) months by the Company given an extension notice to Dalla-Costa and paying the option extension fee no less than 30 days prior to the expiry of the Option term. Upon the Company giving an exercise notice, Dalla-Costa agrees to sell and the Company agrees to purchase the tenement free from all encumbrances in consideration for \$1 million.

As part of the consideration for the acquisition of tenement E04/2560, E29/1050, E29/957, E29/959, E30/471 and E30/476 from relevant parties, the Company has the obligation to pay royalties, which only become due and payable when and if mining commences.

In July 2014, IronRinger (Tarraji) Pty Ltd (IronRinger) (now Dreadnought Kimberley Pty Ltd) and Whitewater Pty Ltd (Whitewater) entered into a Joint Venture Agreement regarding Exploration License E04/2315. The consideration paid by IronRinger was \$21,000 being \$10,000 in cash and \$10,000 in equity (1,000,000 shares @ \$0.01) to acquire various rights including an 80% interest in E04/2315. In addition, Whitewater was not required to contribute to expenditure until \$20M and completion of a feasibility study. During the year, the Office of State Revenue provided a draft Statement of Grounds valuing the acquisition of E04/2315 at \$4,000,000 seeking \$200,000 in stamp duty and late payment penalties of \$10,000. This valuation is notwithstanding previous valuations of \$21,000, \$nil and \$248,102. The Company has engaged consultants to dispute the Office of State Revenue's position and valuation. No formal assessment has issued.

24 Related Parties

(a) The Group's main related parties are as follows:

(i) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to the remuneration report in the Directors' Report.

The aggregate amounts recognised during the year (excluding re-imbursment of expenses incurred on behalf of the Company) relating to Directors and their Director related entities were as follows:

Director	Transaction	Consolidated	
		2020	2019
		\$	\$
D Gordon	Payments to a former director related entity for corporate advisory fees	-	60,000
D Gordon	Payments to a former director related entity for company secretary and accounting services	11,213	88,205
P Payne	Payments to a director related entity for consulting services	-	10,800
D Chapman	Payments to a Director related entity for consulting services	-	47,091

No amounts were outstanding and owing to related parties as at 30 June 2020 (2019: \$12,550 amount owing to D Gordon in relation to director fees (\$9,800) and company secretary and accounting services (\$2,750))

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

24 Related Parties (continued)

(ii) Subsidiaries:

The consolidated financial statements include the financial statements of Dreadnought Resources Ltd and the following subsidiaries:

Name of subsidiary	% ownership interest	% ownership interest
	2020	2019
Tychean Tanami Pty Ltd (previously ERO Metals Pty Ltd)*	-	100.0
Valley Floor Resources Pty Ltd*	-	100.0
Dreadnought Holdings Pty Ltd (previously IronRinger Resources Pty Ltd)	100.0	100.0
Dreadnought Kimberley Pty Ltd (previously IronRinger (Tarraji) Pty Ltd)	100.0	100.0
Dreadnought Yilgarn Pty Ltd (previously IronRinger (Industrial Minerals) Pty Ltd)	100.0	100.0

* During the month of May 2020, the Group deregistered Valley Floor Resources Pty Ltd and Tychean Tanami Pty Ltd. Upon deregistration, the subsidiaries were de-consolidated from the group, resulting in a net gain of \$10,027 on deconsolidation which was recognised within the Group's Statement of Comprehensive Income or Loss for the 30 June 2020 year end.

25 Cash Flow Information

Reconciliation of result of loss for the year to cashflows from operating activities

	Consolidated year ended	
	30 June 2020	30 June 2019
	\$	\$
Reconciliation of net income to net cash provided by operating activities:		
Loss for the year	(1,215,539)	(680,822)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- share based payments	629,500	-
- impairment of Property, plant and equipment	2,158	192
- impairment loss on exploration assets	27,928	253,149
- interest on convertible notes	18,467	-
- exploration expenditure	10,429	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	(3,179)	(17,397)
- (increase)/decrease in prepayments	(15,162)	(4,720)
- (increase)/decrease in investments	-	25,000
- increase/(decrease) in trade and other payables	2,402	(1,204)
Cashflow outflow from operations	(542,996)	(425,802)
Non-cash investing and financing activities		
Share-based payments expense – share issue costs	232,324	-
Non cash assets acquisition	180,000	-

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

26 Equity based acquisition

During the year, the Group purchased Metzke's Find and the Wombarella Project. The fair value of the total consideration paid was \$180,000 (30,500,000 fully paid ordinary shares) based on the fair value of the shares issued to vendor. The purchase consideration was 16,000,000 @ \$0.005 and 14,500,000 @ \$0.007 for Metzke's Find and Wombarella Project respectively.

In prior year, the Group purchased IronRinger Resources Pty Ltd and its controlled entities for consideration that included shares in the Group for the year ended 30 June 2019. The acquisition was treated as an asset acquisition as it did not meet the definition of a business combination as per AASB 3 *Business Combinations* given the nature of the assets acquired. The only material assets acquired in the acquisition was the acquiree's mining tenements and therefore, under the Group's accounting policies, the consideration paid by the Group has been accounted for under its accounting policies for Exploration and evaluation expenditure (Note 1(r)), resulting in capitalisation of the amounts at the fair value of the consideration paid, allocated over the assets and liabilities acquired. No value was attributed to where tenure was not yet granted as this did not meet the definition of a recognisable asset under AASB 6 Exploration for and Evaluation of Mineral Resources.

IronRinger Resources Pty Ltd and controlled entities tenement list

Project	Tenement	Lease Name	Location	Minerals	Status
Tarraji-Yampi	E04/2315	Tarraji	WA	Nickel, Copper, Gold	Granted
Tarraji-Yampi	E04/2508	Yampi	WA	Nickel, Copper, Gold	Granted
Tarraji-Yampi	E04/2557	Yampi	WA	Nickel, Copper, Gold	Application
Tarraji-Yampi	E04/2572	Yampi	WA	Nickel, Copper, Gold	Granted
West Kimberley	E04/2574	Broome Creek	WA	Nickel, Copper, Gold	Application
West Kimberley	E04/2573	Napier Downs	WA	Nickel, Copper, Gold	Application
Tarraji-Yampi	E04/2608	Robinson River	WA	Nickel, Copper, Gold	Application
Rocky Dam	E25/533	Rocky Dam	WA	Copper, Gold, Zinc	Granted

The fair value of the total consideration paid \$1,814,572 is determined based on the fair value of the shares and options issued to the vendor. The fair value of the shares issued to the vendor was calculated by using the share price on the date of acquisition multiplied by the number of shares awarded. The fair value of the share consideration was \$1,779,572 through the issuance of 444,892,938 ordinary shares.

Purchase consideration (Note 11):	\$
- 444,892,938 ordinary shares @ \$0.004 (Note 14)	1,779,572
- 50,000,000 options @ \$0.0007 (Note 15)	35,000
	1,814,572

The fair values of the identifiable assets and liabilities as at date of acquisition were:

	Fair value recognised on acquisition \$
Assets	
Cash and cash equivalents	1,888
Trade and other receivables	5,591
Exploration assets	133,432
	140,911
Liabilities	
Trade and other payables	31,909
Borrowings	710
	32,619
Total identifiable net assets at fair value	108,292
Excess of consideration over fair value of net assets acquired	1,706,280

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

27 Events occurring after the reporting date

In July and August 2020, a total of 33,500,000 unlisted options were exercised raising \$217,500 respectively.

In August 2020, the Group completed a share placement of 170,666,673 at \$0.009 per share to sophisticated investors. The placement raised \$1,536,000 before costs.

On 15 August 2020, the Group extended the maturity date of the Convertible Loan Note Deed to 2 July 2021.

Other than the events detailed above, there has not arisen in the interval between 1 July 2020 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Group, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future years.

28 Parent entity

	Year ended	
	30 June 2020	30 June 2019
	\$	\$
Statement of Financial Position		
Assets		
Current assets	557,542	671,027
Non-current assets	5,108,940	2,149,151
Total Assets	5,666,482	2,820,178
Liabilities		
Current liabilities	1,070,230	192,898
Non-current liabilities	-	560,480
Total Liabilities	1,070,230	753,378
Equity		
Issued capital	43,389,962	40,263,315
Retained earnings/ (losses)	(39,497,730)	(38,271,035)
Reserves	704,020	74,520
Total Equity	4,596,252	2,066,800
Statement of Profit or Loss and Other Comprehensive Income		
Total loss for the year	(1,226,695)	(687,183)
Total comprehensive loss	(1,226,695)	(687,183)

Dreadnought Resources Ltd and Controlled Entities
ABN: 40 119 031 864

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2020

29 Company Details

The registered office of and principal place of business of the Company is:

Dreadnought Resources Ltd
Suite 5, 16 Nicholson Road
Subiaco WA 6008

PO Box 572
Floreat WA 6014

www.dreadnoughtresources.com.au

Email: info@DreadnoughtResources.com.au

Directors' Declaration

For the Year Ended 30 June 2020

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Director
Dean Tuck

Dated 30 September 2020

**DREADNOUGHT RESOURCES LIMITED
ABN 40 119 031 864**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
DREADNOUGHT RESOURCES LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Dreadnought Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit and 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 statements, including a summary of significant accounting policies, and the directors' declaration.

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

- giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- 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 auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1(b) to the financial report which indicates that the Group incurred a net loss of \$1,215,539 during the year ended 30 June 2020 (2019: loss of \$680,822), net current liabilities of \$508,249 (2019: net current assets of \$483,830) and had cash and cash equivalents of \$464,099 (2019: \$647,966). These conditions, along with other matters as set forth in Note 1(b), indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. 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.

**DREADNOUGHT RESOURCES LIMITED
ABN 40 119 031 864**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
DREADNOUGHT RESOURCES LIMITED**

Key Audit Matter	How our audit addressed the key audit matter
<p>Capitalisation of exploration and evaluation expenditure</p> <p>Refer to Note 11 to the financial report.</p> <p>As at 30 June 2020, the Group held capitalised exploration and evaluation expenditure of \$5,104,501.</p> <p>The carrying value of exploration and evaluation expenditure is assessed for impairment by the Group when facts and circumstances indicate that the capitalised exploration and evaluation expenditure may exceed its recoverable amount.</p> <p>The determination as to whether there are any indicators to require the capitalised exploration and evaluation expenditure to be assessed for impairment involves a number of judgments including but not limited to:</p> <ul style="list-style-type: none"> • Whether the Group has tenure of the relevant area of interest; • Whether the Group has sufficient funds to meet the relevant area of interest; minimum expenditure requirements; and • Whether there is sufficient information for a decision to be made that the relevant area of interest is not commercially viable. <p>During the year, the Group determined that there had been no indicators of impairment.</p> <p>Given the size of the balance and the judgemental nature of the impairment indicator assessments associated with exploration and evaluation assts, we consider this is a key audit matter.</p>	<p>Our procedures included, amongst others:</p> <p>Obtaining an understating of and evaluating the processes and controls associated with the capitalisation of exploration and evaluation expenditure, and those associated with the assessment of impairment indicators.</p> <p>Examining the Group's right to explore in the relevant area of interest, which included obtaining and assessing supporting documentation. We also considered the status of the exploration licences as it related to tenure.</p> <p>Considering the Group's intention to carry out significant exploration and evaluation activity in the relevant area of interest, including an assessment of the Group's cash-flow forecast models, discussions with senior management and directors as to the intentions and strategy of the Group.</p> <p>Reviewing management's evaluation and judgement as to whether the exploration activities within each relevant area of interest have reached a stage where the commercial viability of extracting the resource could be determined.</p> <p>Assessing the adequacy of the disclosures included within the financial report.</p>

DREADNOUGHT RESOURCES LIMITED
ABN 40 119 031 864

INDEPENDENT AUDITOR'S REPORT
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Share-based payments

Refer to Note 19 to the financial report.

Share-based payments represent \$629,500 of the Group's expenditure. This amount comprises the issue of 103,000,000 options to key management personnel, employees and consultants.

Under Australian Accounting Standards, equity settled awards for employees are measured at fair value on the measurement (grant) date. For transactions with parties other than employees, the measurement date is the date the Group obtains the goods or the counterparty renders the service. Under both, the Group takes into consideration the probability of the vesting conditions (if any) attached. An amount is recognised as an expense either immediately if there are no vesting conditions, or over the vesting period if there are vesting conditions.

In calculating the fair value there are a number of judgements management must make, including but not limited to:

- estimating the likelihood that the equity instruments will vest;
- estimating expected future share price volatility;
- expected dividend yield; and
- risk-free rate of interest.

Due to the significance to the Group's financial report and the level of judgment involved in determining the valuation of the share-based payments, we consider the Group's calculation of the share-based payment expense to be a key audit matter.

Our procedures included, amongst others: Obtaining an understanding of the relevant controls associated with the preparation of the valuation model used to assess the fair value of share based payments, including those relating to volatility of the underlying security and the appropriateness of the model used for valuation.

Critically evaluating and challenging the methodology and assumptions of management in their preparation of valuation model, including management's assessment of likelihood of vesting, agreeing inputs to internal and external sources of information as appropriate.

Assessing the Group's accounting policy as set out within Note 21(q) for compliance with the requirements of AASB 2 *Share-based Payment*.

Assessing the adequacy of the disclosures included in the financial report.

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INDEPENDENT AUDITOR'S REPORT
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Joint control

Refer to Note 1(d),1(t)(v) and 11 to the financial report.

During the year ended 30 June 2019, through the Group's acquisition of IronRinger Resources Pty Ltd and its controlled entities, the Group became party to a Joint Venture Agreement with Whitewater Resources Pty Ltd for an 80% interest in an exploration tenement which forms part of its Tarraji-Yampi project area of interest.

Previously, management assessed that it had control over the relevant activities required to progress this project.

Management is obliged to re-assess as to whether there has been any change in control (i.e. control to joint control) for this Exploration Licence each year.

The determination as to whether control or joint control exists, involves a number of judgments including but not limited to:

- what are the relevant activities to be assessed; and
- whether rights implicit in arrangement agreements represented substantive or protective rights and the impact those rights have on determining control over the relevant activities.

Due to potential accounting impact as a result of loss of control, and the judgment involved in determining control, we consider this to be a key audit matter.

Our procedures included, amongst others:
Obtaining an understating of and evaluating the processes and controls with respect to the accounting treatment of the transaction.

Obtaining an understanding of the unincorporated joint venture agreement, including, but not limited, to:

- the operating committee composition;
- voting rights held by both parties;
- the authority imposed on the operating committee in making day to day decisions about operational, financial and strategic matters; and
- substantive and protective rights held by both parties.

Reviewing operating committee minutes, in conjunction with the above and critically examining whether the Group has;

- power over the unincorporated joint venture;
- exposure, or rights, to variable returns from its investment in the joint venture; and
- the ability to use its power over the unincorporated joint venture to affect the Group's amount of returns.

Assessing the Group's accounting policy set out within Note 1(c) Basis of Consolidation and management's judgements set out within Note 1(v) for compliance with the requirements of AASB 10 *Consolidated Financial Statements*

Assessing the adequacy of the disclosures included in the financial report.

**DREADNOUGHT RESOURCES LIMITED
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**INDEPENDENT AUDITOR'S REPORT
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Other Information

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

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the 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 have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

**DREADNOUGHT RESOURCES LIMITED
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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 20 of the directors' report for the year ended 30 June 2020. In our opinion, the Remuneration Report of Dreadnought Resources Limited, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

DREADNOUGHT RESOURCES LIMITED
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
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Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD



J C PALMER
Executive Director
Perth, 30 September 2020

ASX Additional Information

Additional information required by the ASX Listing Rules is set out below.

1. Shareholdings

The issued capital of the Company as at 25 September 2020 is:

2,095,847,441 ordinary fully paid shares

All issued ordinary fully paid shares carry one vote per share.

2. Distribution of Equity Securities as at 25 September 2020

Ordinary Shares (ASX Code: DRE)

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 - 1,000	70	21,077	0.00
1,001 - 5,000	45	136,282	0.01
5,001 - 10,000	20	142,756	0.01
10,001 - 100,000	637	39,172,157	1.87
100,001 Over	1,357	2,056,375,169	98.12
Totals	2,129	2,095,847,441	100.00%

3. Unmarketable parcels

There were 156 holders of less than a marketable parcel of ordinary shares.

4. Substantial shareholders as at 25 September 2020

Name	Number of Shares	% Holding
Paul Chapman and associated entities	284,130,061	13.65

5. Restricted Securities Subject to Escrow as at 25 September 2020

There are no shares subject to escrow.

6. On-market buy back

There is currently no on-market buyback program for any of the Company's listed securities.

7. Group cash and assets

In accordance with Listing Rule 4.10.19, the Group confirms that it has been using the cash and assets for the year ended 30 June 2020 consistent with its business objective and strategy.

8. Voting Rights

All ordinary fully paid shares have one voting right per share. Unlisted options have no voting rights.

ASX Additional Information

9. Top 20 Largest Holders of Listed Securities as at 25 September 2020

	Holder Name	Holding	%
1	STONE PONEYS NOMINEES PTY LTD <CHAPMAN SUPER FUND A/C>	239,169,743	13.12
2	DAVID MICHAEL CHAPMAN + MICHELE WOLLENS <CW SUPER FUND A/C>	63,577,917	3.03
3	PARETO NOMINEES PTY LTD <THE DAMELLE A/C>	54,166,667	2.58
4	MR TAO WU	45,000,000	2.15
5	RAMELIUS RESOURCES LIMITED	42,380,955	2.02
6	PAYNE GEOLOGICAL SERVICES PTY LTD <PAYNE SUPER FUND A/C>	38,928,575	1.86
7	CITICORP NOMINEES PTY LTD	29,731,879	1.42
8	MRS BELINDA GORDON + MR IAN GORDON <GORDON SUPER FUND A/C>	27,333,337	1.30
9	MR PHILIP DAVID CRUTCHFIELD	25,727,777	1.23
10	MR DREW GRIFFIN MONEY	21,000,000	1.00
11	PHILIP DAVID CRUTCHFIELD	20,515,873	0.98
12	MR IAN JAMES GORDON	19,992,644	0.95
13	RMK SUPER PTY LTD <RMK PERSONAL S/F A/C>	18,533,097	0.88
14	MR STEPHEN JAMES FOLEY + MS NATALIE CHANTAL MELLONIUS <FOLEY FAMILY A/C>	18,333,330	0.87
15	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	17,391,753	0.83
16	MR NEVRES CRLJENKOVIC	17,293,376	0.83
17	CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD AA A/C>	16,705,551	0.80
18	BRIKEN NOMINEES PTY LTD <BRIKEN PORT NO 3 A/C>	15,000,000	0.72
19	WYTHENSHAW PTY LTD <MINJAR A/C>	15,000,000	0.72
20	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	14,006,490	0.67
	Total held by top 20 registered shareholders	781,655,490	37.30

ASX Additional Information

10. Unquoted securities

UNLISTED OPTIONS @ \$0.01 EXPIRING 03/04/2024

	Holder Name	Holding	%
1	STONE PONEYS NOMINEES PTY LTD <CHAPMAN SUPER FUND A/C>	20,000,000	50%
2	DAVID MICHAEL CHAPMAN + MICHELE WOLLENS <CW SUPER FUND A/C>	10,000,000	25%
3	NICHOLAS FINDLAY DAY	10,000,000	25%
	Total	40,000,000	100%

UNLISTED OPTIONS @ \$0.005 EXPIRING 9/04/2024

	Holder Name	Holding	%
1	MR DEAN TUCK & MRS DIANNE MAE TUCK <TUCK FAMILY A/C>	30,000,000	100%

UNLISTED OPTIONS @ \$0.005 EXPIRING 30/06/2024

	Holder Name	Holding	%
1	MR DEAN TUCK & MRS DIANNE MAE TUCK <TUCK FAMILY A/C>	9,500,000	100%

UNLISTED OPTIONS @ \$0.008 EXPIRING 17/09/2024

	Holder Name	Holding	%
1	OLIVER JUDD	10,000,000	100%

UNLISTED OPTIONS @ \$0.006 EXPIRING 25/05/2023

	Holder Name	Holding	%
1	MR BLAIR OLIVER CAMPBELL SPAULDING <SANCERRE INVEST A/C>	5,000,000	12.5%
2	PARETO NOMINEES PTY LTD <THE DAMELLE A/C>	10,000,000	25%
3	RAVENHILL FINANCIAL SERVICES PTY LTD	5,000,000	12.5%
4	SHAW AND PARTNERS LIMITED	20,000,000	50%
	Total	40,000,000	100%

ASX Additional Information

Unquoted securities (continued)

UNLISTED CONVERTIBLE NOTES CONVERTIBLE @ \$0.0055

	Holder Name	Holding	%
1	BUDWORTH CAPITAL PTY LTD <BUDWORTH CAPITAL TRUST>	315,000	53%
2	WESTGATE CAPITAL PTY LTD <WESTGATE ASSET MANAGEMENT TRUST>	70,000	12%
3	SEASCAPE CAPITAL PTY LTD <WILLIAMS TRADING TRUST>	215,000	36%
	Total	600,000	100.00%

Corporate Governance Statement

The Company's Corporate Governance Plan, Statement and Appendix 4G can be found on the Company's website at <http://www.dreadnoughtresources.com.au/corporate-governance/>

The Board of Directors ("the Board") is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

This statement outlines the main Corporate Governance practices in place throughout the financial year, which comply with the 3rd edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

ASX Additional Information – Tenement List

Project	Tenement	Lease Name	State	Status	% Owned by DRE	Holders
Tarraji-Yampi	E04/2315	Tarraji	WA	Granted	Registered and 80% Beneficial as a Joint Venture	Whitewater Resources Pty Limited
Tarraji-Yampi	E04/2508	Yampi	WA	Granted	100%	Dreadnought (Kimberley) Pty Ltd
Tarraji-Yampi	E04/2557	Yampi	WA	Granted	100%	Dreadnought (Kimberley) Pty Ltd
Tarraji-Yampi	E04/2572	Yampi	WA	Granted	100%	Dreadnought (Kimberley) Pty Ltd
Tarraji-Yampi	E04/2608	Yampi	WA	Granted	100%	Dreadnought (Kimberley) Pty Ltd
Tarraji-Yampi	E04/2675	Yampi	WA	Application	100%	Dreadnought (Kimberley) Pty Ltd
Tarraji-Yampi	E04/2676	Yampi	WA	Application	100%	Dreadnought (Kimberley) Pty Ltd
West Kimberley	E04/2560	Wombarella	WA	Granted	100%	Beau Resources Pty Ltd
West Kimberley	E04/2574	Broome Creek	WA	Application	100%	Dreadnought (Kimberley) Pty Ltd
West Kimberley	E04/2573	Napier Downs	WA	Granted	100%	Dreadnought (Kimberley) Pty Ltd
Rocky Dam	E25/533	Rocky Dam	WA	Granted	100%	Dreadnought (Yilgarn) Pty Ltd
Rocky Dam	E25/599	Rocky Dam	WA	Granted	100%	Dreadnought (Yilgarn) Pty Ltd

ASX Additional Information – Tenement List

Project	Tenement	Lease Name	State	Status	% Owned by DRE	Holders
Rocky Dam	E27/634	Rocky Dam	WA	Granted	100%	Dreadnought (Yilgarn) Pty Ltd
Rocky Dam	E28/2988	Rocky Dam	WA	Granted	100%	Dreadnought (Yilgarn) Pty Ltd
Illaara	E29/957	Illaara	WA	Granted	100%	Newmont Goldcorp Exploration Pty Ltd
Illaara	E29/959	Illaara	WA	Granted	100%	Newmont Goldcorp Exploration Pty Ltd
Illaara	E29/1050	Illaara	WA	Granted	100%	Gianni, Peter Romeo
Illaara	E30/471	Illaara	WA	Granted	100%	Newmont Goldcorp Exploration Pty Ltd (
Illaara	E30/476	Illaara	WA	Granted	100%	Newmont Goldcorp Exploration Pty Ltd
Illaara	E29/965	Illaara	WA	Granted	100%	Dalla-Costa, Melville Raymond
Illaara	E30/485	Illaara	WA	Granted	100%	Dalla-Costa, Melville Raymond
South Kimberley Project	E80/5363	Horseshoe Range	WA	Application	100%	Dreadnought (Kimberley) Pty Ltd
South Kimberley Project	E80/5364	Sparke Range	WA	Application	100%	Dreadnought (Kimberley) Pty Ltd
South Kimberley Project	E80/5365	Lindner Hill	WA	Application	100%	Dreadnought (Kimberley) Pty Ltd

ASX Additional Information – Tenement List

Project	Tenement	Lease Name	State	Status	% Owned by DRE	 Holders
South Kimberley Project	E80/5366	Mt Amhurst	WA	Application	100%	Dreadnought (Kimberley) Pty Ltd

Corporate Directory

Directors

Paul Chapman (Non-executive Chairman)
Dean Tuck (Managing Director)
Ian James Gordon (Non-executive Director)
Paul Charles Payne (Non-executive Director)

Company Secretary

Ms Jessamyn Lyons

Registered Office

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Share Registry

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Level 11, 172 St Georges Tce
Perth, WA, Australia
Telephone: + 61 8 6188 0800

Auditors

Pitcher Partners BA&A Pty Ltd (Australia)
Level 11/12 – 14 The Esplanade
Perth WA 6000
Australia

Lawyers

Steinepreis Paganin
16 Milligan St
Perth WA 6000

Stock Exchange

Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
ASX Code: DRE