



PRO FORMA STATEMENTS OF FINANCIAL POSITION WITH ACTUAL FUNDS RECEIVED FROM IPO

	Notes	30 June 2019 \$'000	Actual IPO Subscription \$'000
Current Assets			
Cash and cash equivalents	2	-	6,481
Total Current Assets		-	6,481
Non-Current Assets			
Property, plant and equipment	3	-	367
Exploration and evaluation costs	4	-	7,413
Total Non-Current Assets		-	7,780
Total Assets		-	14,261
Current Liabilities			
Trade and other payables	5	-	-
Total Current Liabilities		-	-
Total Liabilities		-	-
Net Assets		-	14,261
Equity			
Contributed equity	6	-	13,061
Reserves	7	-	1,200
Retained Earnings		-	-
Total Equity		-	14,261



NOTES TO THE PRO-FORMA ACCOUNTS

1 Statement of significant accounting policies

Statement of Compliance

The Pro Forma Financial Information has been prepared in accordance with the measurement requirements, but not the disclosure requirements, of the Australian Accounting Standards.

Basis of Preparation

Going concern

The financial information has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. The Company has not yet generated revenues from operations.

Accounting policies

The financial information has been prepared on an accruals basis and is based on historical costs, except for certain financial instruments measured at fair value.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial information.

(a) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

(b) Exploration and evaluation expenditure assets

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

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

(c) Property, plant and equipment

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

(d) Trade and other payables

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



NOTES TO THE PRO-FORMA ACCOUNTS

1 Statement of significant accounting policies (cont'd)

(e) Contributed equity

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit recognised.

(f) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial information 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 internally and externally.

(g) Share-based payments

The fair value of options granted is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the option holder become unconditionally entitled to the options.

The fair value of the options at grant date is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the consolidated statement of comprehensive income with a corresponding adjustment to equity.

The fair value of these equity instruments does not necessarily relate to the actual value that may be received in future by the recipients.

2 Cash and Cash Equivalents

	Actual Subscription \$'000
Issue of shares pursuant to Prospectus	7,480
Repayment of loan	(1,000)
Total cash and cash equivalents	6,480

The loan was provided by Ardea Resources Limited ("Ardea") and represents costs incurred by Ardea for the benefit of Godolphin from 1 June 2019 in relation to rent, rates and exploration costs on Tenements, any Duty payable on the transfer of the Tenements or the Lewis Ponds Freehold Land to Godolphin, wages, adviser and legal expenses associated with the In-Specie Distribution, Internal Restructure and General Offer ("the Offers"). Refer to note 5 for more details.



NOTES TO THE PRO-FORMA ACCOUNTS

3 Property, plant and equipment

	Actual Subscription \$'000
Lewis Ponds Freehold Land	367
Total	367

4 Exploration and evaluation costs carried forward

	Actual Subscription \$'000
Tenements acquired from Ardea Resources Ltd	7,413
Total	7,413

The value of the tenements to be acquired by the Company is based on the accumulated historical acquisition and exploration costs incurred by Ardea in respect of the New South Wales tenements.

There has been no impairment of these historical costs recorded as Ardea has maintained ownership of the underlying tenements, exploration activity has been ongoing and has not yet reached the stage which enables a reasonable assessment as to the existence or otherwise of economically recoverable reserves. This treatment is in accordance with the Company's accounting policy.

5 Trade and other payables

	Actual Subscription \$'000
Trade and other payables	-

Total listing and listing related costs expected to be incurred in the General Offer of the Company are \$393K and its operating costs and exploration costs from 30 June 2019 to the date of listing are expected to be \$650K, leaving a total to be paid from proceeds of \$1,043K at the date of listing.

In addition to this the Lead Manager will be paid a fee of 1% on the total proceeds from the new equity and a 5% placement fee on all third party funds received.

In the pro-forma the repayments are deemed to have been paid to Ardea following the receipt of funds from the proceeds of the Offer.

As the loan is expected to be greater than \$1M, then up to an additional \$200K will be paid in fully paid ordinary shares at the 20 cent subscription price.

Any balance of funds payable will be written off by Ardea.



NOTES TO THE PRO-FORMA ACCOUNTS

6 Contributed Equity

	Actual Number of Shares	Actual Subscription \$'000
Issued capital on registration	100	-
Share split on de-merger	30,000,000	6,000
Issue of share under General Offer	37,402,500	7,481
Loan partially repaid in shares	1,000,000	200
Costs of the General Offer	-	(620)
Total	68,402,600	13,061

7 Options Reserve

	Number of options	Option reserve \$'000
Opening balance at 25 June 2019	-	-
Options issued to Ardea	15,000,000	1,059
Options issued to Lead Manager	2,000,000	141
Options issued to Directors and employees	2,000,000	-
Total	19,000,000	1,200

The Options issued to Directors and employees have been issued under the Company's Employee Incentive Security Plan and will be amortised over the life of the Option. As a result, they are not considered as a Pro Forma adjustment and have not been valued as such.

The Options have been valued using the Black Scholes valuation methodology. The following table lists the inputs used to value the Options to be issued under the General Offer.

Number of Options	17,000,000
Exercise price	\$0.25
Share price at grant date	\$0.20
Life of the Options	3 years
Risk free interest rate	1.50%
Volatility	61%
Value per Option	\$0.07055



ACTUAL AND PROPOSED TRANSACTIONS TO ARRIVE AT THE PROFORMA FINANCIAL POSITION

Actual and proposed transactions adjusting the company's statement of financial position as at 30 June 2019 in the Pro Forma Statements of Financial Position are as follows:

Pro Forma Actual

- a) Through the issue of 30,000,000 Shares the Company acquired exploration assets, collectively the NSW Assets, including Tenements and the Lewis Ponds Freehold Land.
- b) The Company has issued 15,000,000 Options to Ardea upon listing. The value of these Options has been determined using the Black Scholes methodology and recorded in the option reserve.
- c) The Company has issued 1,000,000 Incentive options to the Directors of the Company, 1,000,000 Options to certain employees of the Company and 2,000,000 Lead Manager Options to the Company's advisors in connection with the Offer. The value of these Options has been determined using the Black Scholes methodology and recorded in the option reserve as applicable.
- d) The Company has issued 37,402,500 New Shares at \$0.20 each to participating investors.
- e) The Subscription has resulted in the following:
 - i) An increase in cash of \$7,480,500 before capital raising costs, with a corresponding increase in share capital.
 - ii) The issue of a maximum of 1,000,000 Shares to Ardea in part settlement of the Loan Agreement.
 - iii) Payment of capital raising costs of \$620,000 and a corresponding decrease in share capital.