

GODOLPHIN RESOURCES LIMITED

ABN 13 633 779 950

Annual Report

for the period from registration on 19 June 2019 to 30 June 2020



Corporate Directory

Directors

Jeremy Read– Non-Executive Chairman

Ian Buchhorn – Non-Executive Director

Douglas Menzies – Non-Executive Director

Chief Executive Officer

David Greenwood

Company Secretary

Ian Morgan

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Securities Exchange

Australian Securities Exchange (ASX)

ASX Code: GRL

Securities Registry

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Chairman's Letter

31 August 2020

Dear Shareholders,

At Godolphin, our focus is on maintaining safe and optimal exploration operations whilst keeping our people well, supporting our staff through the COVID-19 pandemic and generating shareholder wealth. Fortunately, with all our employees being based in Orange NSW, exploration activities to date have been relatively unaffected by the COVID-19 pandemic and we have been able to make significant progress with the assessment of our projects. We continue to monitor the COVID-19 situation closely, ensuring that our exploration activities run safely. We have implemented cleaning and hygiene measures and, where necessary, adjusted our work routines to enable appropriate social distancing. We are following local and federal directives and advice for operating during the pandemic. In this challenging work environment, our focus has still been on developing our projects and creating value for shareholders.

Following the highly successful listing on the ASX in December 2019, we have been firmly focussed on our key exploration projects in NSW within the Lachlan Fold Belt, Australia's prime world-class gold-copper province. Our strong balance sheet has allowed Godolphin to rapidly progress the assessment of our projects and conduct early drilling programs, advancing the targeting and generating significant news flow to the market.

Our exploration efforts have yielded substantial progress on our key projects. Drill ready targets have been identified at Mt Aubrey, Copper Hill East, and Gundagai North & South and the results to date have been very promising. This is testament to the prospectivity of our landholdings, and the capability of our geological team.

A drill programme at Mt Aubrey early in 2020 yielded some excellent early results and we have recently commenced a follow up drilling program. At Copper Hill East, significant copper and gold/copper soil anomalies have been identified with coincident magnetic anomalies and extensive native copper in rock samples at surface. These targets are to be drill tested in the second half of calendar 2020. At Gundagai North & South, extensive porphyry dykes, with gold bearing quartz veining have been mapped and sampled and several key targets at both projects will be drill tested following completion of the drill programmes at Mt Aubrey and Copper Hill East.

Looking forward, we remain focussed on the drill programmes planned for our key exploration projects in the second half of calendar 2020. We will continue to focus on putting a high proportion of exploration budgets into in-ground expenditure, while at the same time maintaining a strong balance sheet. Within the Lachlan Fold Belt, Godolphin has one of the largest exploration ground holdings which is a significant asset for the Company from which we aim to create and capture value for shareholders.

I would like to take this opportunity to thank the exploration team at Godolphin, and my fellow Directors, for the work completed this year in difficult circumstances. To our shareholders, thank you for your continued support and trust in Godolphin, its assets and people. We look forward to an exciting year ahead.

Kind regards



Jeremy Read
Chairman

Directors' Report

The Directors present their report, together with the financial statements of the consolidated entity (referred to hereafter as the 'consolidated entity' or the 'Group'), consisting of Godolphin Resources Limited (referred to hereafter as the 'Company', 'parent entity' or 'Godolphin') and the entities it controlled at the end of, or during, the period ended 30 June 2020.

Directors

The Directors of the Company at any time during or since the end of the financial period are:

Jeremy Read (Non-Executive Chairman)

B.Sc (Hons), MAUSIMM

Appointed 1 May 2020

Jeremy Read is a seasoned mining executive who has worked on a range of precious and base metals projects in Australia, Africa, North America, India and Scandinavia.

He played critical roles in the discovery of the Kabanga North nickel deposit in Tanzania, the Cairn Hill magnetite-copper deposit in South Australia and the Boseto Copper deposit in Botswana. He is skilled in developing new technical teams, the management of technical and specialist service groups, project generation activities, risk management and multi-commodity mineral exploration.

Since 2003 Jeremy has concentrated on developing junior mineral resource companies, creating and capturing value for shareholders. He is Technical Director of Pursuit Minerals Limited (ASX: PUR), appointed 23 August 2019.

He has been a director of other ASX-listed resource companies: Discovery Metals to 31 August 2015 (ASX: DML), Meridian Minerals to 12 December 2011 (ASX: MII), Avalon Minerals to 12 December 2013 (ASX: AVI) and MinQuest Limited to 30 September 2016 (ASX: MNQ).

Jeremy is a Member of The Australasian Institute of Mining and Metallurgy ("AusIMM").

Ian Buchhorn (Non-Executive Director)

BSc (Hons), Dip Geosci (Min Econ), MAusIMM

Appointed 19 June 2019

Ian Buchhorn is a Mineral Economist (Macquarie University) and Geologist with over 35 years of experience. He was the founding Managing Director of Heron Resources Limited for a period of 11 years until 2007 and returned to that role in 2012 after a period as Executive Director. Mr Buchhorn first managed exploration programs in the Lachlan Fold Belt in 1981, corresponding to the recognition of Northparkes and Temora as significant porphyry/epithermal mineral provinces. Mr Buchhorn previously worked with a number of international mining companies and has worked on gold, nickel, bauxite and industrial mineral mining and exploration, gold and base metal project generation and corporate evaluations. For the last 25 years Mr Buchhorn has acquired and developed mining projects throughout the Eastern Goldfields of Western Australia and has operated as a Registered Mine Manager. Ian is a Member of The Australasian Institute of Mining and Metallurgy ("AusIMM").

During the last three years, Mr Buchhorn has been a Director of Ardea Resources Limited to date (ASX: ARL) and RBR Group Limited to 19 April 2018 (ASX: RBR).

Directors' Report (continued)

Douglas Menzies (Non-Executive Director)

BSc (Hons), Dip Bus Admin, Grad Cert IT, MAIG, MSEG

Appointed 1 May 2020

Doug Menzies has over 28 years of experience in the mineral exploration and GIS industries including staff positions (Rio Tinto, MapInfo, Wafi-Golpu JV a Newcrest Mining project) and as a consultant (Menzies Geological Services, Corbett Menzies Cunliffe Pty Ltd and GeoInsite). Mr Menzies has diverse experience in the porphyry gold-copper districts of Wafi-Golpu, PNG and Eastern Australia, epithermal gold-silver projects in Australia, Indonesia, Fiji, Laos, Chile, Argentina and Mexico, sediment hosted lead-zinc in Australia and IOCG copper-gold projects in Chile. Mr Menzies's field-based geological assessment of porphyry gold-copper, epithermal gold and IOCG projects has aided in the progression of mineral projects in a variety of locations.

Mr Menzies is a Member of the Australian Institute of Geoscientists ("AIG").

Mark Sykes (Non-Executive Chairman)

BSc, B.Eng (Mining), Masters Min and Energy Econ

Appointed 19 June 2019 Resigned 30 April 2020

Mark Sykes is a qualified Mining Engineer (WASM) and Mineral Economist (Macquarie University) with over 25 years of experience in the mining sector at both operational and executive levels. Based in NSW, Mr Sykes has previous ASX experience with a focus on mineral exploration and building companies with a diversified growth strategy. Mr Sykes worked for BHP for 10 years and was head of the resource investment division for a Japanese trading house, being directly involved in over \$3 billion of investment in Australia and North and South America. Mr Sykes' experience covers a variety of commodities including platinum group metals, coal, iron ore and copper. Mr Sykes has overseen the development of projects within the Lachlan Fold Belt and specifically within the Lachlan Transverse Zone. Mr Sykes has a passion for the mining industry and has been involved in the development and commercialisation of innovative and sustainable mining practices.

Mr Sykes is a Director of Pacific American Holdings Limited (ASX: PAK).

Andrew Stewart (Non-Executive Director)

BSc, PhD, MAIG & MSEG

Appointed 3 October 2019 Resigned 30 April 2020

Dr Andrew Stewart is an exploration geologist with over 15 years of experience in mineral exploration; primarily focused on project generation, project evaluation and exploration strategy development throughout Asia and Eastern Europe. Dr Stewart has particular expertise in porphyry copper-gold and epithermal gold deposits but has worked across a diverse range of commodities. He holds a BSc (Hons) from Macquarie University and a PhD from the Centre of Ore Deposits and Exploration Studies at the University of Tasmania.

During his time at Ivanhoe Mines and Vale, Dr Stewart held various technical and management positions in Mongolia and Indonesia and has been involved in several greenfields discoveries. Dr Stewart is Chief Executive Officer of Xanadu Mines Limited.

Directors' Report (continued)

David Greenwood (Chief Executive Officer)

David Greenwood has an in-depth knowledge and more than 30 years of broad-based experience in the resources industry across a range of commodities including precious metals, base metals, industrial minerals, mineral sands, and bulk commodities. Mr Greenwood was educated in the UK and has worked internationally in the resources industry in exploration, production, marketing, business development and investment analysis. Mr Greenwood was Executive General Manager for Straits Resources Ltd, where he was responsible for exploration, marketing, corporate affairs, investor relations and investments. Mr Greenwood has held board positions with junior resource companies, including President (CEO) of Goldminco Corporation, a previously listed Canadian exploration company with assets in the Lachlan Fold Belt, NSW. Mr Greenwood has specific expertise in resources evaluation and financing, from exploration through to mine development, in addition to business development, minerals marketing and investor relations.

Ian Morgan (Company Secretary)

B Bus, M Com Law, Grad Dip App Fin, CA, ACIS, MAICD, F Fin

Appointed 21 January 2020

Ian Morgan is a member of the Institute of Chartered Accountants Australia and New Zealand and the Chartered Governance Institute, with over 35 years of experience. Ian provides secretarial and advisory services to a range of companies, including holding the position of Company Secretary for other listed public companies.

Robert (Sam) Middlemas (Company Secretary)

B.Com., PGradDipBus. CA

Appointed 19 June 2019 Resigned 21 January 2020

Sam Middlemas is a chartered accountant with more than 20 years of experience in various financial, board and company secretarial roles with a number of listed public companies operating in the resources sector. He is the principal of a corporate advisory company which provides financial and secretarial services specialising in capital raisings and initial public offerings. Previously Mr Middlemas worked for an international accountancy firm. His fields of expertise include corporate secretarial practice, financial and management reporting in the mining industry, treasury and cash flow management and corporate governance.

Nature of Operations and Principal Activities

Godolphin is an Australian exploration company which listed on the ASX on 18 December 2019, has 100%-controlled Australian-based projects in the Lachlan Fold Belt (LFB) region of NSW, a world-class gold-copper province. Godolphin has drill ready targets at all its projects.

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

Dividends

There were no dividends paid or declared by the Company to members during or since the end of the financial period.

Review of Operations and Outlook

Substantial progress was made by Godolphin during FY2020 with exploring the Company's projects in the Lachlan Fold Belt.

Directors' Report (continued)

Godolphin's corporate strategy is to explore and develop its large tenement holding within the LFB, a leading province for bulk tonnage, low operating cost copper-gold mines.

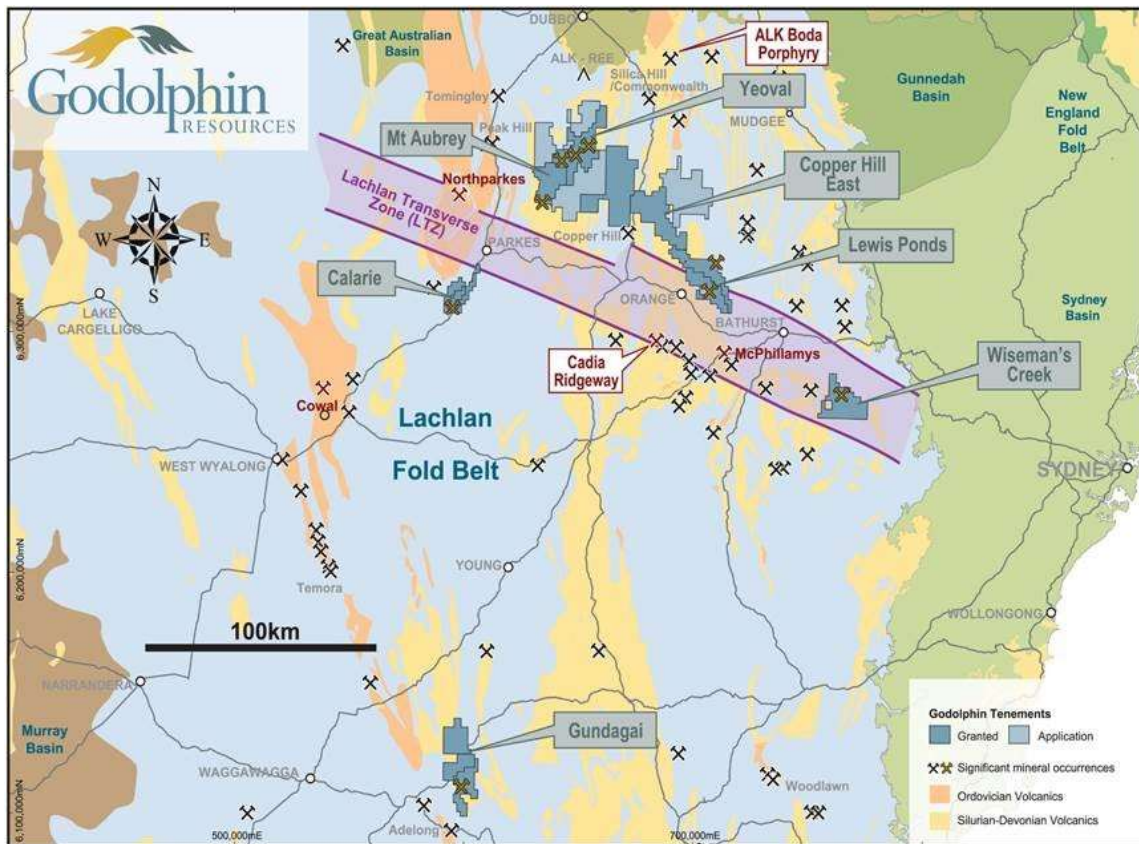
Godolphin has JORC (2012) compliant mineral resources totalling 431,000 ounces of gold (1.45 million oz gold equivalent) in three deposits (Mt Aubrey, Lewis Ponds and Yeoval), all with current exploration programmes including planned drilling.

Summary of JORC 2012 Mineral Resources contained within Godolphin tenements

Project	Tonnes (Mt)	Au (g/t)	Ag (g/t)	Zn (%)	Pb (%)	Cu (%)	AuEq (g/t)	Contained Au (Moz)	Contained AuEq (Moz)
Mt Aubrey	1.21	1.61	-	-	-	-	1.61	0.06	0.06
Yeoval	12.80	0.14	2.20	-	-	0.38	0.56	0.06	0.23
Lewis Ponds	20.24	0.50	33.30	1.5	0.7	0.10	1.80	0.31	1.16
TOTAL	34.25	0.40	20.48	0.9	0.4	0.20	1.32	0.43	1.45

*Some rounding may occur

Source: Independent Technical Report, Godolphin Resources Limited Prospectus, dated 28 October 2019 - Page 5



Directors' Report (continued)

During the period ended 30 June 2020, Godolphin undertook the following key activities across its portfolio of 100%-owned assets in NSW.

At the **Mt Aubrey Project (EL8532)** a Phase 1 RC drill programme consisting of 14 drill holes for 1,734 metres was completed in February 2020. All holes intersected epithermal-style alteration and a majority of drill holes intersected gold mineralisation, with five holes intersecting greater than 1g/t gold over broad intervals. Two standout holes i.e. MAGRC0008 intersected a 22-meter-wide mineralised envelope from 22m below surface (including 6m at 7.21 g/t gold from 30m down hole) and MAGRC0011 intersected 28m at 0.92 g/t gold from 60m (including 16m at 1.1 g/t gold from 72m). The broad zone of mineralisation intersected in MAGRC0011 terminated against a basalt/sediment contact at depth.

Post 30 June 2020, a Phase 2 drill program was commenced in August 2020 targeting mineralisation in the favourable basalt host above the sediment contact as identified in MAGRC0011, as well as geophysical targets identified in an historical IP survey and untested gold in soil anomalies. The Phase 2 drilling program had to be halted after the completion of one drill hole due to heavy rain making access tracks impassable. The Phase 2 drilling program will re-commence when the ground dries out sufficiently to allow access for the drilling rig.

At the **Copper Hill East (CHE) Project (EL8556)**, an extensive soil sampling programme was undertaken, defining a copper anomaly of >150ppm Cu over a continuous strike length of 5km and containing anomalous gold in the north of the anomalous area.

Mapping of the southern part of the anomaly has confirmed native copper, with associated epidote alteration, over a 1,500m by 500m area. A petrographic study has identified the native copper mineralisation in porphyritic and amygdaloidal basaltic rocks with "calc-ferric" alteration. Mapping on the northern gold-copper anomaly has delineated an intrusive complex with dimensions of 500m x 500m with porphyry-style alteration and mineralisation.

Ground magnetic surveys were completed over the respective anomalies which identified structures, lithological trends and large magnetic bodies at shallow to medium depth (50-550m). The large magnetic anomalies in the north coincide with the gold-copper geochemical anomaly, and the structures identified in the south correlate well with the native copper surface mapping, petrographic work and geochemical anomalism.

All necessary approvals have been received for a 1,350m Phase 1 RC drill program to commence in September 2020, which will test the gold-copper anomaly in the north of CHE for porphyry gold-copper style mineralisation and the native copper zone to the south.

The **Gundagai North Project (EL8586)** is located 315km southwest of Sydney in the Lachlan Fold Belt. The tenement contains several historical gold and base metal workings hosted within a belt of basaltic rocks and sediments, intruded by quartz-porphyry dykes or sills.

Within Gundagai North, the key gold bearing prospects include, Emu, Johnston's Hill and Manton's. Following soil sampling programmes, which located strong gold in soil anomalies with coincident high gold in rock chip samples, geological mapping was undertaken to determine the structures hosting the gold mineralisation.

Gold mineralisation at Gundagai North is located in quartz veins contained within porphyry dykes which intrude Silurian sediments and volcanics, and trend in a general north-south direction across the Gundagai North tenement. Extensive historical mining has taken place at both Emu and Johnston's Hill, and artisanal mining is evident at the Manton's prospect.

Directors' Report (continued)

A Phase 1 RC drill programme has been planned for 2020, to test all three prospects. Drilling is expected to commence in October 2020 subject to receiving all necessary approvals.

The **Gundagai South Project (EL8061)** is located approximately 300km southwest of Sydney in the Lachlan Fold Belt. Soil and rock chip sampling programmes in 2019 located elevated gold in soil anomalies, with coincident high gold rock chip samples.

Geological mapping was undertaken to determine the orientation of structures which host the gold mineralisation. As at Gundagai North, gold mineralisation at Gundagai South is located in quartz veins hosted in porphyry dykes or sills. These dykes intrude Silurian sediments and volcanics, and trend in a generally north-south direction across the tenement. Soil geochemistry and mapping have defined drill ready targets at the Surprise North, Highway and Stoney Creek South prospects. These targets also contain several artisanal mines historically worked for gold and base metal.

An RC drilling programme has been planned to test all three prospects. Drilling is expected to commence following drilling at Gundagai North in October 2020, and subject to the receipt of regulatory drilling approvals.

Corporate

Financial

The Group incurred an operating loss after tax for the period to 30 June 2020 of \$801,362.

The Group retained a cash balance of \$4,861,593 at 30 June 2020.

Capital Raisings

During the period to 30 June 2020, capital was raised by way of an initial public offer (**IPO**)

Shareholders are referred to the Company's prospectus dated 29 October 2019 and subsequent ASX announcements which includes a Pro-forma Balance Sheet following the successful closing of the initial public offer (IPO) with a total of \$7,480,500 in new funds received (before capital raising costs). The Company was admitted to the ASX's official list on 16 December 2019.

Further details of capital raisings are set out in Note A5.

Events Subsequent to the Reporting Date

The Directors are not aware of any matter or circumstance that has arisen since the end of the financial period that has significantly affected or may significantly affect the Group's operations, the results of these operations or the Group's state of affairs in future financial years excepting, since 30 June 2020, 138,823 Loyalty Options have been exercised for \$0.20 cash each. At the date of this report, 29,139,638 Loyalty Options are unexercised.

Environmental Regulation

The Board believes that the Group has adequate systems in place for the management of its environmental requirements.

Based on results of enquiries made, the Directors are not aware of any significant breaches during the period covered by this report.

Directors' Report (continued)

Directors' Meetings

The numbers of Directors' meetings (including meetings of committees of Directors) where Directors were eligible to attend and attended in person or by alternate during the financial period by each of the Directors of the Company were:

	Board Meetings	
	Eligible	Attended
Jeremy Read (appointed 1 May 2020)	3	3
Ian Buchhorn	5	5
Douglas Menzies (appointed 1 May 2020)	3	3
Mark Sykes (resigned 30 April 2020)	2	2
Andrew Stewart (resigned 30 April 2020)	2	2

The Company has:

(a) Audit and Risk; and

(b) Remuneration and Nomination Committees,

which did not meet during the financial period ended 30 June 2020.

Movements in Securities Held by Directors

The movement during the financial period in the number of securities of Godolphin Resources Limited held, directly, indirectly or beneficially, by each specified Director, including their personally related entities, is as follows:

Key Management Person	Securities	Jeremy Read (appointed 1 May 2020)	Ian Buchhorn	Douglas Menzies (appointed 1 May 2020)	Mark Sykes (resigned 30 April 2020)	Andrew Stewart (resigned 30 April 2020)
Number at 19 June 2019 or date of appointment, as applicable	Shares	-	-	-	-	-
	Incentive Options	-	-	-	-	-
	Loyalty Options	-	-	-	-	-
Number issued under Initial Public Offer Prospectus dated 29 October 2019	Shares	-	6,699,849	-	150,000	50,000
	Incentive Options	-	250,000	-	500,000	250,000
	Loyalty Options	-	-	-	-	-
Number issued under Loyalty Options Prospectus dated 1 June 2020	Shares	-	-	-	-	-
	Incentive Options	-	-	-	-	-
	Loyalty Options	-	2,316,622	-	-	-
Balance of securities at 30 June 2020 or date of ceasing, as applicable	Shares	-	6,699,849	-	150,000	50,000
	Incentive Options	-	250,000	-	500,000	250,000
	Loyalty Options	-	2,316,622	-	-	-

Directors' Report (continued)

Remuneration Report (Audited)

This report outlines the remuneration arrangements in place for key management personnel of the Group. Remuneration is referred to as compensation throughout this report.

Remuneration Policy

Directors and key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and the Group.

Compensation levels for key management personnel of the Group will be competitively set to attract and retain appropriately qualified and experienced Directors, executives and future executives. Current remuneration levels are driven largely by the requirement to conserve cash within the Company. There were no remuneration consultants used to set the remuneration of key management personnel.

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The compensation structures take into account:

- the capability and experience of the key management personnel
- the key management personnel's ability to control the Group's performance
- the Group's performance including:
 - the Group's earnings;
 - the growth in share price and delivering constant returns on shareholder wealth; and
 - the amount of incentives within each key management person's compensation.

Compensation packages will include a mix of fixed and variable compensation, and short-term and long-term performance-based incentives.

In addition to their salaries, the Group also provides non-cash benefits to its key management personnel, and where applicable, contributes to the individual's elected post-employment superannuation plan on their behalf.

Contract Terms and Conditions

The determination of Directors' remuneration is made by the Board having regard to the current position of the Company, in that it is as yet not in production and continues to preserve cash as much as possible.

The Board may award additional remuneration to Directors called upon to perform extra services or make special exertions on behalf of the Company.

The Board reviews remuneration, so as to reflect current industry norms, and determines remuneration policies and practices generally, reviews and makes specific decisions on the remuneration packages and other terms of employment of its Directors and senior executives.

No Director remuneration package includes terms for redundancy, retirement or termination benefits. No such amounts were accrued or paid for any Director during the current financial period.

Terms of Employment

A total of 1,000,000 Incentive Options were granted to Directors. Details relating to the Incentive Options are below.

The Incentive Options were granted at no cost to the recipient. The fair value of the Incentive Options at the Grant Date is determined using the Black Scholes model. The Incentive Options' expense for the period to 30 June 2020 totals \$70,551.

Directors' Report (continued)

On 15 June 2020, one Loyalty Option was granted for every three Incentive Options held at the record date (5 June 2020). A total of 333,335 rounded up (\$13,640) Loyalty Options were granted to a Director and two former Directors. Details relating to the Incentive Options and Loyalty Options are below.

No terms of equity settled share-based payment transactions (including Incentive Options granted as compensation to key management persons) have been altered or modified by the issuing entity to the date of this report.

Other than as disclosed in this report, there are no entitlements for the Company's Option holders to participate in new issues of capital which may be offered to the Company's existing ordinary shareholders.

The Group prohibits those that are granted share-based payments as part of their remuneration from entering other arrangements that limit their exposure to losses that would result from share price decreases. Entering such arrangement is prohibited by law.

The relevant beneficial interest of each Director in the securities issued by the companies within the Group and other related bodies corporate, and notified by the Directors to the ASX in accordance with section 250G(1) of the *Corporations Act 2001* (Cth) at the date of this report are:

Director	Current holdings (Direct and Indirect) at the date of this report or at the resignation date (as applicable)		Entitlement at the date of this report or at the resignation date (as applicable)	
			Unquoted Options	
	Quoted Shares	Incentive Options	Loyalty Options	Loyalty Options
	Number	Number	Number	Number
Jeremy Read (appointed 1 May 2020)	-	-	-	-
Ian Buchhorn	6,699,849	250,000	2,316,622	-
Douglas Menzies (appointed 1 May 2020)	19,529	-	-	-
Mark Sykes (resigned 30 April 2020)	150,000	500,000	-	216,667
Andrew Stewart (resigned 30 April 2020)	50,000	250,000	-	100,000

Directors' Report (continued)

Unquoted Options

Director	Security	Grant Date	Fair value per option	Exercise price per option	Expiry date	Number of options granted and vested at the date of this report
			\$	\$		
Jeremy Read		-	-	-	-	-
	Incentive Options	5 Dec 2019 ¹	\$0.07055	\$0.25	5 Dec 2022	250,000
Ian Buchhorn	Loyalty Options	15 Jun 2020	\$0.00	\$0.20	15 Jun 2022	2,316,622
						2,566,622
Douglas Menzies		-	-	-	-	-
						2,566,622

Each Option provides the right for the option holder to be issued one fully paid Share upon payment of each Exercise Price for each Share.

Jeremy Read (appointed 1 May 2020)

Effective 1 May 2020, the Company agreed to utilise the services of Mr Read as the Company's non-executive chairman, for a fee of \$60,000 per annum excluding compulsory superannuation and any goods and services tax. Effective 1 May 2020 Mr Read agreed that the Company accrue 50% of his fee for an interim period of three months, until the financial markets recover.

Douglas Menzies (appointed 1 May 2020)

Effective 1 May 2020, the Company agreed to utilise the services of Mr Menzies as the Company's non-executive director, for a fee of \$45,000 per annum excluding compulsory superannuation and any goods and services tax. Effective 1 May 2020, Mr Menzies agreed that the Company accrue 50% of his fee for an interim period of three months, until the financial markets recover.

Ian Buchhorn (appointed 19 June 2019)

Effective 18 December 2019, the Company agreed to utilise the services of Mr Buchhorn as the Company's non-executive director, for a fee of \$45,000 per annum excluding compulsory superannuation and any goods and services tax. Effective 1 May 2020 Mr Buchhorn agreed that the Company accrue 50% of his fee for an interim period of three months, until the financial markets recover.

Mark Sykes (appointed 19 June 2019 resigned 30 April 2020)

Prior to the Company being admitted to the ASX's official list on 16 December 2019, the Company had a consulting arrangement with an entity related to Mr Sykes, to facilitate the Company's IPO.

The agreed consulting rate was \$1,500 per day including compulsory superannuation and excluding any goods and services tax. Consulting fees for the period totaled \$49,500.

Effective 18 December 2019 the Company agreed to utilise the services of Mr Sykes as the Company's non-executive chairman, for a fee of \$60,000 per annum excluding compulsory superannuation and any goods and services tax.

¹ ASX escrow ends 18 December 2021.

Directors' Report (continued)

Andrew Stewart (appointed 3 October 2019 resigned 30 April 2020)

Effective 18 December 2019 the Company agreed to utilise the services of Mr Stewart as the Company's non-executive director, for a fee of \$45,000 per annum excluding compulsory superannuation and any goods and services tax.

Options Issued to Directors or Executives

Options were previously granted to Directors, or their nominees, in lieu of market related cash remuneration. Details relating to these options are on page 15. The options were granted at no cost to the recipient.

There are no entitlements for the Company's option holders to participate in new issues of capital, which may be offered to the Company's existing ordinary shareholders.

No options were exercised during the financial period.

The Group prohibits those that are granted unvested or restricted share-based payments, as part of their remuneration, from entering into other arrangements that limit their exposure to losses that would result from share price decreases. Entering into such arrangement has been prohibited by law since 1 July 2011.

Details of vesting profiles of the options granted as remuneration to each key management person of the Group and each of the named key management persons are detailed below:

Director	Grant Date	Expiry date	Number	Vested at the end of the reporting period or at the resignation date (as applicable)	Lapsed during the reporting period or to the resignation date (as applicable) ²
				2020	2020
				%	%
Jeremy Read	-	-	-	-	-
Ian Buchhorn	5 Dec 2019 ³	5 Dec 2022	250,000	100	-
Douglas Menzies	-	-	-	-	-
Mark Sykes (resigned 30 April 2020)	5 Dec 2019 ³	5 Dec 2022	500,000	100	-
Andrew Stewart (resigned 30 April 2020)	5 Dec 2019 ³	5 Dec 2022	250,000	100	-
			1,000,000	100	-

² The % lapsed in the period represents the reduction from the maximum number of options available to vest due to the options not being exercised and lapsing.

³ ASX escrow ends 18 December 2021.

Directors' Report (continued)

Key Financial Statistics

	2020
Loss for the financial period attributable to owners of the Company	\$801,362
Working capital at 30 June	\$4,731,079
Net assets at 30 June	\$13,325,967
Number of Shares on issue at 30 June	67,957,151
Share price at 30 June (cents per Share)	19.0
Market capitalisation at 30 June	\$12,911,859
Loss on capital employed for the financial period	6.21%
<hr/>	
Options benefits of key management persons	\$92,079
Other compensation of key management persons	\$382,368
Total compensation of key management persons (Group and Company) for the financial period	\$474,447

During the period, the Company focused on exploring and developing its large tenement holdings within the LFB. Further details are included in the Review of Operations and Outlook on page 8.

Cash funds were raised during the period ended 30 June 2020 by way of an initial public offer (IPO). For further details see Note A5.

Over the past period, the Group's loss from ordinary activity after income tax has varied mainly depending upon the level of exploration and evaluation work being done during the financial period.

Directors' Report (continued)

Directors' Remuneration for the period ended 30 June 2020

Details of the nature and amount of each major element of remuneration of each Director of the Company and other key management personnel of the Group and Company are:

Directors	Short-term				Total	Post-employment	Other long term	Termination benefits	Share-based payments Options ⁴	Total	Proportion of remuneration performance related	Value of options as proportion of remuneration
	Salary & fees	Consulting fees	Cash bonus	Non-monetary benefits		Superannuation benefits						
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		%
Jeremy Read (appointed 1 May 2020)	10,000	-	-	-	10,000	950	-	-	-	10,950	-	-
Ian Buchhorn	24,226	-	-	-	24,226	2,301	-	-	17,638	44,165	40%	40%
Douglas Menzies (appointed 1 May 2020)	7,500	-	-	-	7,500	713	-	-	-	8,213	-	-
Mark Sykes (resigned 30 April 2020)	22,258	49,500	-	-	71,758	2,119	-	-	35,275	109,152	32%	32%
Andrew Stewart (resigned 30 April 2020)	16,726	-	-	-	16,726	1,589	-	-	17,638	35,953	49%	49%
	80,710	49,500	-	-	130,210	7,672	-	-	70,551	208,433	34%	34%
Management												
David Greenwood (Chief Executive Officer) (appointed 1 November 2019)	183,333	-	-	-	183,333	17,413	-	-	17,614	218,360	8%	8%
Ian Morgan (Company Secretary) (appointed 21 January 2020)	-	43,740	-	-	43,740		-	-	3,914	47,654	8%	8%
Total compensation	264,043	93,240	-	-	357,283	25,085	-	-	92,079	474,447	19%	19%

⁴ The fair value of the options is calculated at the date of grant using the Black Scholes option pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the options recognised as an expense in each reporting period.

Directors' Report (continued)

Details of options over ordinary shares in the Company that were granted as compensation to each key management person during the reporting period and details that vested during the reporting period are as follows:

Unquoted Options

Key Management Person	Balance of options shares at 19 June 2019 or date of appointment, as applicable	Incentive Options issued under IPO Offer	Employee Options issued under IPO Offer	Loyalty Options issued under Loyalty Options Offer	Balance of options at 30 June or date of ceasing, as applicable
	Number	Number	Number	Number	Number
Period ended 30 June 2020					
Jeremy Read (appointed 1 May 2020)	-	-	-	-	-
Ian Buchhorn	-	250,000	-	83,334	333,334
Douglas Menzies (appointed 1 May 2020)	-	-	-	-	-
Mark Sykes (resigned 30 April 2020)	-	500,000	-	166,667	666,667
Andrew Stewart (resigned 30 April 2020)	-	250,000	-	83,334	333,334
	-	1,000,000	-	333,335	1,333,335
David Greenwood (Chief Executive Officer) (appointed 1 November 2019)	-	-	750,000	250,000	1,000,000
Ian Morgan (Company Secretary) (appointed 21 January 2020)	-	-	250,000	83,334	333,334
	-	1,000,000	1,000,000	666,669	2,666,669

Incentive Options

Key Management Person	Number of options granted during the reporting period	Grant Date	Vesting Date ⁵	ASX Escrow Expiry Date	Option Expiry Date	Fair value per option at the grant date	Exercise price per option	Number of options vested during the reporting period
Ian Buchhorn	250,000	5 Dec 2019	18 Dec 2019	18 Dec 2021	5 Dec 2022	\$0.07055	\$0.25	250,000
Mark Sykes	500,000	5 Dec 2019	18 Dec 2019	18 Dec 2021	5 Dec 2022	\$0.07055	\$0.25	500,000
Andrew Stewart	250,000	5 Dec 2019	18 Dec 2019	18 Dec 2021	5 Dec 2022	\$0.07055	\$0.25	250,000
	1,000,000							1,000,000

⁵ Vesting condition of the Company successfully listing on the Australian Securities Exchange within 12 months of the date of issue of the incentive option.

Directors' Report (continued)

Employee Options

Key Management Person	Number of options granted during the reporting period	Grant Date	Vesting Date ⁶	Option Expiry Date	Fair value per option at the grant date	Exercise price per option	Number of options vested during the reporting period
David Greenwood	750,000	5 Dec 2019	1 Nov 2021	5 Dec 2022	\$0.07055	\$0.25	-
Ian Morgan	250,000	5 Dec 2019	21 Jan 2022	5 Dec 2022	\$0.07055	\$0.25	-
	1,000,000						-

Loyalty Options

Key Management Person	Number of options granted during the reporting period	Grant Date and Vesting Date	Option Expiry Date	Fair value per option at the grant date	Exercise price per option	Number of options vested during the reporting period
Ian Buchhorn	83,334	15 Jun 2020	15 Jun 2022	\$0.00	\$0.20	83,334
Mark Sykes	166,667	15 Jun 2020	15 Jun 2022	\$0.00	\$0.20	166,667
Andrew Stewart	83,334	15 Jun 2020	15 Jun 2022	\$0.00	\$0.20	83,334
	333,335					333,335
David Greenwood	250,000	15 Jun 2020	15 Jun 2022	\$0.00	\$0.20	250,000
Ian Morgan	83,334	15 Jun 2020	15 Jun 2022	\$0.00	\$0.20	83,334
	666,669					666,669

End of Remuneration Report (Audited)

⁶ Vesting condition of 24 months of continuous employment by the option holder (or controller of the option holder).

Directors' Report (continued)

Shares Under Option

Each option provides the right for the option holder to be issued one fully paid share by the Company, upon payment of the exercise price of each option. The options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

During the financial period there were no shares issued on the exercise of options. 49,278,461 unquoted options were granted during the period ended 30 June 2020:

- (a) 20,000,000 options on the terms and conditions in the Company's IPO Prospectus dated 29 October 2019; and
- (b) 29,278,461 options on the terms and conditions in the Company's Loyalty Options Prospectus dated 1 June 2020.

Details of options over ordinary shares in the Company that were granted, vested and expired during the financial period are as follows:

Period ended 30 June 2020

Exercise Price	Vesting Date	ASX Escrow Expiry	Expiry Date	Balance vested 19 June 2019 Number	Granted during the period Number	Unvested at 30 June 2020	Balance vested 30 June 2020 Number
Unquoted							
\$0.25	5 Dec 2019	18 Dec 2021	5 Dec 2022	-	17,000,000	-	17,000,000
	18 Dec 2019		5 Dec 2022	-	1,000,000	-	1,000,000
\$0.25	1 Nov 2021	Not escrowed	5 Dec 2022	-	750,000	(750,000)	-
	16 Dec 2021		5 Dec 2022	-	1,000,000	(1,000,000)	-
	21 Jan 2022		5 Dec 2022	-	250,000	(250,000)	-
				-	20,000,000	(2,000,000)	18,000,000
\$0.20	15 Jun 2020	Not escrowed	15 Jun 2022	-	29,278,461	-	29,278,461
				-	49,278,461	(2,000,000)	47,278,461

Directors' Report (continued)

Movements in Securities Held by Directors

The movement during the financial period in the number of securities of the Company held, directly, indirectly or beneficially, by each specified Director and executive, including their personally related entities, is as follows:

Shares

Key Management Person	Balance of shares at 19 June 2019 or date of appointment, as applicable	Issued under IPO	Balance of shares at 30 June or date of ceasing, as applicable
	Number	Number	Number
Period ended 30 June 2020			
Jeremy Read (appointed 1 May 2020)	-	-	-
Ian Buchhorn	-	6,699,849	6,699,849
Douglas Menzies (appointed 1 May 2020)	-	-	-
Mark Sykes (resigned 30 April 2020)	-	150,000	150,000
Andrew Stewart (resigned 30 April 2020)	-	50,000	50,000
	-	6,899,849	6,899,849

Unquoted Options

Key Management Person	Balance of options Balance of shares at 19 June 2019 or date of appointment, as applicable	Granted and vested as remuneration	Loyalty Options issued under Loyalty Options Offer	Balance of options at 30 June or date of ceasing, as applicable
	Number	Number	Number	Number
Period ended 30 June 2020				
Jeremy Read (appointed 1 May 2020)	-	-	-	-
Ian Buchhorn	-	250,000	2,316,622	2,566,622
Douglas Menzies (appointed 1 May 2020)	-	-	-	-
Mark Sykes (resigned 30 April 2020)	-	500,000	-	500,000
Andrew Stewart (resigned 30 April 2020)	-	250,000	-	250,000
	-	1,000,000	2,316,622	3,316,622

The terms and conditions of the options granted are outlined in Note A5 to the accounts.

Indemnification and Insurance of Officers and Auditor

Indemnification and Insurance

The Company indemnifies current and former Directors and Officers for any loss arising from any claim by reason of any specified act committed by them in their capacity as a Director or Officer (subject to certain exclusions as required by law).

Directors' Report (continued)

The Company has paid insurance premiums in respect of directors' and officers' liability. Insurance cover relates to liabilities that may arise from their position (subject to certain exclusions as required by law).

Details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' liability insurance are not disclosed. Such disclosure is prohibited under the terms of the policy.

The Company has not otherwise, during or since the end of the financial period, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such by an officer or auditor.

Audit Services

During the period ended 30 June 2020, the Group expensed an amount of \$20,000 payable to its auditor, Butler Settineri (Audit) Pty Ltd, for audit services provided.

Non-Audit Services

During the period ended 30 June 2020 Butler Settineri (Audit) Pty Ltd and its related practices, the Group's auditor, has performed certain other services in addition to the audit and review of financial statements

During the period ended 30 June 2020, the Group expensed an amount of \$8,000 payable to its auditor, Butler Settineri (Audit) Pty Ltd and its related practices, for accounting services provided in addition to their statutory audit duties.

The board has considered the non-audit services provided during the period by the auditor and in accordance with written advice provided by resolution of the audit and risk committee, is satisfied that the provision of those non-audit services during the period by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* (Cth) for the following reasons:

- (a) All non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the audit and risk committee to ensure they do not impact the integrity and objectivity of the auditor; and
- (b) The non-audit services provided do not undermine the general principles relating to auditor independence set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards

Rounding Off

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016. Notwithstanding the Company may round the nearest thousand dollars, amounts in the Financial Report and Directors' Report have been reported to the nearest dollar, unless otherwise stated.

Lead Auditor's Independence Declaration

The lead auditor's independence declaration made under Section 307C of the *Corporations Act 2001* (Cth) is set out on page 52 and forms part of this Directors' Report.

Competent Person's Statement

The information in this report relating to Mineral Resources and Exploration Results is extracted from reports lodged as market announcements and available to view on the Company's web-site

<https://godolphinresources.com.au/>.

The Company confirms that it is not aware of any new information that materially affects the information included in the original market announcement and that all material assumptions and technical parameters

Directors' Report (continued)

underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Signed in accordance with a resolution of the Board of Directors.



Jeremy Read
Chairman
Brisbane
31 August 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Period Ended 30 June 2020

	Note	2020
		\$
Employee expenses		325,176
Non-cash employee expense from granting of options to		
Directors	A5	56,911
Employees	A5	54,302
		111,213
Administration expenses	D1	338,680
Site restoration expense	A9	56,000
Depreciation	A11	3,888
Loss before interest and income tax		834,957
Less: Financial income - interest		33,595
Loss before income tax		801,362
Income tax benefit	D2	-
Net loss attributable to members of the parent		801,362
Other comprehensive income for the period, net of income tax		-
Total comprehensive income for the period		801,362
		Cents
Loss per share – basic	D3	2.15
Loss per share – diluted	D3	2.15

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying Notes.

Consolidated Statement of Financial Position

As at 30 June 2020

	Note	30 June 2020
		\$
Current assets		
Cash and cash equivalents	A10	4,861,593
Prepayments and other receivables	A7	82,881
Total current assets		4,944,474
Non-current assets		
Property, plant and equipment	A11	422,921
Exploration and evaluation costs	A12	8,227,967
Total non-current assets		8,650,888
Total assets		13,595,362
Current liabilities		
Trade and other payables	A8	173,100
Employee benefits	A9	40,295
Total current liabilities		213,395
Non-current liabilities		
Provision	A9	56,000
Total non-current liabilities		56,000
Total liabilities		269,395
Net assets		13,325,967
Equity		
Issued capital	A5	12,816,766
Reserve	A5	1,310,563
Accumulated losses		(801,362)
Equity		13,325,967

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying Notes.

Consolidated Statement of Changes in Equity

Period Ended 30 June 2020

	Note	Ordinary fully paid shares	Share option reserve	Accumulated losses	Total Equity
		\$	\$	\$	\$
Balance at 19 June 2019		100	-	-	100
Pro-rata Issue of shares to Ardea shareholders (4 December 2019)	A5	6,000,000	-	-	6,000,000
Issue of shares for IPO (5 December 2019)	A5	7,480,500	-	-	7,480,500
Issue of shares for repayment of debt by Ardea (3 April 2020)	A5	110,910	-	-	110,910
Capital raising costs	A5	(774,744)	-	-	(774,744)
Total comprehensive income for the interim period		-	-	(801,362)	(801,362)
Equity settled share-based payments for the period	A5	-	1,310,563	-	1,310,563
Balance at 30 June 2020		12,816,766	1,310,563	(801,362)	13,325,967

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying Notes.

Consolidated Statement of Cash Flows

Period Ended 30 June 2020

	Note	2020
		\$
Cash flows used in operating activities		
Receipts from customers		-
Payments to suppliers and employees		(476,543)
Interest received		18,318
Net cash used in operating activities	A6	(458,225)
Cash flows used in investing activities		
Payments for property, plant and equipment		(50,324)
Payments for exploration and evaluation costs		(962,663)
Net cash used in investing activities		(1,012,987)
Cash flows from financing activities		
Proceeds from capital raisings		7,480,500
Payments for capital raising costs		(212,633)
Repayment of loan for capital raising costs		(935,062)
Receipt from other loan		200,000
Repayment of other loan		(200,000)
Net cash generated from financing activities		6,332,805
Net increase in cash and cash equivalents		4,861,593
Cash and cash equivalents at 19 June 2019		-
Cash and cash equivalents at 30 June 2020	A10	4,861,593

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying Notes.

Notes to the Financial Statements

Period Ended 30 June 2020

General Information

The financial statements cover Godolphin Resources Limited as a consolidated entity consisting of Godolphin Resources Limited and its subsidiaries. The financial statements are presented in Australian dollars, which is Godolphin Resources Limited's functional and presentation currency.

Godolphin Resources Limited is a public company, listed on the Australian Securities Exchange, limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 31 August 2020.

The Notes to the consolidated financial statement are set out in the following main sections:

Section A – Key Financial Information and Preparation Basis

Section B – Risk and Judgement

Section C – Key Management Personnel and Related Party Disclosures

Section D – Other Disclosures

Section A – Key Financial Information and Preparation Basis

This section sets out the basis upon which the Group's financial statements have been prepared as a whole and explains the results and performance of the Group that the Directors consider most relevant in the context of the operations of the entity.

A1 Statement of Compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (**AASB**) and the *Corporations Act 2001* (Cth).

A2 Basis of Preparation

The financial report is prepared on the historical cost basis other than share-based transactions that are assessed at fair value.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016. Notwithstanding the Company may round the nearest thousand dollars, amounts in the Financial Report and Directors' Report have been reported to the nearest dollar, unless otherwise stated.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the Group.

Notes to the Financial Statements (continued)

Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

A3 Basis of Consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Investments in subsidiaries are carried in the Parent Entity's financial statements at the lower of cost and recoverable amount.

Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the entity, with adjustments made to the "Investment in associates" and "Share of associates' net profit" accounts.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Gains and losses are recognised as the relevant assets are consumed or sold by the associate or jointly controlled entities or, if not consumed or sold by the associate or jointly controlled entity, when the Group's interest in such entities is disposed of.

A4 Going Concern

During the period the Company incurred an operating loss of \$801,362. After raising \$7,480,500 in equity by an initial public offer (**IPO**), see below, and incurring the aforementioned costs, the Company ended the period with a cash balance of \$4,861,593.

Based on the above evidence of successful fund raisings and taking into account budgeted expenditure commitments, the Board has prepared these Financial Statements on a going concern basis.

Despite the ability of the Company to historically raise funds, further funding will be required to develop the Company's tenements.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

Judgement about the future is based on information available at the date of this report. Subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made.

Notes to the Financial Statements (continued)

A5 Capital and Reserves

Share capital

Ordinary shares issued and fully paid	Date	Number of shares	Issue Price per share	\$
Shares issued on incorporation	19 June 2019	100	\$1.00	100
Shares issued in-specie to Ardea shareholders	4 December 2019	30,000,000	\$0.20	6,000,000
Cash placement (initial public offer)	5 December 2019	37,402,500	\$0.20	7,480,500
Ardea loan repayment	3 April 2020	554,551	\$0.20	110,910
		<u>67,957,151</u>		<u>13,591,510</u>
Less costs relating to share issues		-		(774,744)
Balance	30 June 2020	<u>67,957,151</u>		<u>12,816,766</u>

Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Ordinary shares have no par value.

No dividends have been declared or paid by the Company during or since the end of the financial period.

Subject to ASX listing rules, the Company's Board may resolve that the whole or any portion of profits, reserve or other account which is available for distribution, be distributed to shareholder in the same proportions in which they would be entitled to receive it if distributed by way of dividend, or in accordance with relevant terms of issue of any shares or securities.

If the Company is wound up, whether voluntarily or otherwise, the liquidator may divide among all or any of the contributories, as the liquidator thinks fit, in specie or in kind, any part of the assets of the Company, and may vest any part of the assets of the Company in trustees for the benefit of all or any of the contributories as the liquidator thinks fit.

In the event of winding up of the Company, ordinary shareholders rank after creditors and are entitled to any proceeds of liquidation.

Options

Each option provides the right for the option holder to be issued one fully paid share by the Company, upon payment of the exercise price of each option.

During the financial period there were no shares issued on the exercise of options. 49,278,461 unquoted options were granted during the period ended 30 June 2020:

- (c) 20,000,000 options on the terms and conditions in the Company's IPO Prospectus dated 29 October 2019; and
- (d) 29,278,461 options on the terms and conditions in the Company's Loyalty Options Prospectus dated 1 June 2020.

Notes to the Financial Statements (continued)

Details of options over ordinary shares in the Company that were granted, vested and expired during the financial period are as follows:

Period ended 30 June 2020

Exercise Price	Vesting Date	ASX Escrow Expiry	Expiry Date	Balance vested 19 June 2019 Number	Granted during the period Number	Unvested at 30 June 2020	Balance vested 30 June 2020 Number
Unquoted							
\$0.25	5 Dec 2019	18 Dec 2021	5 Dec 2022	-	17,000,000	-	17,000,000
	18 Dec 2019		5 Dec 2022	-	1,000,000	-	1,000,000
\$0.25	1 Nov 2021	Not escrowed	5 Dec 2022	-	750,000	(750,000)	-
	16 Dec 2021		5 Dec 2022	-	1,000,000	(1,000,000)	-
	21 Jan 2022		5 Dec 2022	-	250,000	(250,000)	-
				-	20,000,000	(2,000,000)	18,000,000
\$0.20	15 Jun 2020	Not escrowed	15 Jun 2022	-	29,278,461	-	29,278,461
				-	49,278,461	(2,000,000)	47,278,461

Options expenses for the period ended 30 June 2020 totalled \$111,213.

Share Based Payment Reserve

	Number of Options Granted			2020 \$
	Initial Public Offer Options	Loyalty Options-	Total	
Balance at 19 June 2019	-	-	-	-
Cost of raising capital	-	23,278,461	23,278,461	-
Consideration for NSW Assets	15,000,000	5,000,000	20,000,000	1,058,250
Employee expense ⁷	2,000,000	666,667	2,666,667	40,663
Capital raising fee	2,000,000	-	2,000,000	141,100
Related party expenses ⁸	1,000,000	333,333	1,333,333	70,550
Equity settled share-based payments for the period	20,000,000	29,278,461	49,278,461	1,310,563
Balance at 30 June 2020	20,000,000	29,278,461	49,278,461	1,310,563

The fair value of the Initial Public Offer options is calculated at the date of grant using the Black Scholes option pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the options recognised as an expense in each reporting period.

⁷ There is a vesting condition of 24 months of continuous employment by the option holder (or controller of the option holder) for 2,000,000 employee options to vest, granted under the initial public offer. At the reporting date, no employee options have vested.

⁸ There is a vesting condition of the Company successfully listing on the Australian Securities Exchange within 12 months of the date of granting 1,000,000 incentive options, granted under the initial public offer. As the Company successfully listed on 18 December 2019, all 1,000,000 incentive options vested on 18 December 2019.

Notes to the Financial Statements (continued)

Initial Public Offer Options

Fair value at grant date	\$0.07055
Share price at grant date	\$0.20
Exercise price per option	\$0.25
Expected volatility (weighted average)	61%
Risk free interest rate (based on government bonds)	1.50%

The Loyalty Options are free attaching options granted on 15 June 2020 based on 1 loyalty option for every 3 shares, consideration options, incentive options and employee options held on the record date (5 June 2020). The Loyalty Options have been issued to the Company's shareholders and option holders and therefore do not fall within the scope of Australian Accounting Standard AASB 2 *Share-based Payment (as amended)*. Accordingly, the Loyalty Options have a \$Nil value.

The Company's accounting policy for the treatment of equity-settled share-based payment arrangements granted to employees

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

A6 Cash Flow Reconciliation

	Note	2020 \$
Cash flows from operating activities		
Net loss attributable to members of the parent		(801,362)
Adjustments for:		
Depreciation and impairment (non-cash)	A11	3,888
Options expense (non-cash)		111,213
Operating expenditure paid by issuing shares to Ardea (non-cash)		99,329
Other		(287)
Operating loss before changes in working capital and provisions		(587,219)
Increase in other receivables		(82,881)
Increase in other payables and provisions		269,394
Adjustments for:		
Increase in working capital for plant and equipment		(9,485)
Increase in working capital for exploration costs capitalised		(48,034)
Net cash used in operating activities		(458,225)

A7 Prepayments and Other Receivables

Other receivables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition they are stated at amortised cost less impairment losses (see Note B3).

Notes to the Financial Statements (continued)

Prepayments are recognised at cost.

	2020 \$
Current	
Prepayments	13,576
GST	36,479
Security deposit over rental property	17,550
Other receivables	15,276
	<u>82,881</u>

A8 Current Liabilities Trade and Other Payables

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs. Subsequent to initial recognition, these transactions are measured at amortised cost.

	2020 \$
Current	
Trade payables	51,106
PAYG Withholding Tax	67,345
Accruals and other payables	54,649
	<u>173,100</u>

A9 Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

Employee Entitlements

	2020 \$
Current	
Annual Leave Provision	
Balance 19 June 2019	-
Increase for period	40,925
Balance 30 June 2020	<u>40,295</u>
Non-Current	
Site Restoration Provision	
Balance 19 June 2019	-
Increase for period	56,000
Balance 30 June 2020	<u>56,000</u>

The Company's accounting policy for the treatment of employee entitlements:

(a) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive

Notes to the Financial Statements (continued)

obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(b) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

(c) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

Site Restoration

In accordance with the Group's environmental policy and applicable legal requirements, a provision for site restoration in respect of disturbed land is recognised when such land is disturbed. At this time, a best estimate of the total area of disturbance and present value restoration cost over the estimated mine is made. From this, an annual charge is derived which is reflected as an expense over the life of the mine and as an increase in the provision.

The balance of the provision is the accumulation of the annual charges, less any remedial work done, which is charged directly against the provision. The unwinding of the effect of discounting on the provision is recognised as a finance cost.

A10Cash and Cash Equivalents

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

	2020
	\$
Bank balances	323,636
Term deposit - unsecured	4,517,957
Term deposit - secured	20,000
Cash and cash equivalents in the statements of cash flows	<u>4,861,593</u>

A11Property, Plant and Equipment

Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see Note B3).

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent costs

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the statement of profit or loss and other comprehensive income as an expense as incurred.

Notes to the Financial Statements (continued)

Depreciation

Depreciation is charged to the statement of profit or loss and other comprehensive income on a straight-line or diminishing value bases over the estimated useful lives of each part of an item of property, plant and equipment and buildings. Land is not depreciated. The estimated useful lives in the current financial period are as follows:

	2020		
	1 to 5 years		
	Freehold	Plant and	2020
	Land	equipment	Total
	\$	\$	\$
Cost			
Balance at 19 June 2019	-	-	-
Additions	367,000	59,809	426,809
Balance at 30 June 2020	367,000	59,809	426,809
Depreciation			
Balance at 19 June 2019	-	-	-
Depreciation change for the period	-	(3,888)	(3,888)
Balance at 30 June 2020	-	(3,888)	(3,888)
Carrying amounts			
At 19 June 2019	-	-	-
At 30 June 2020	367,000	55,921	422,921

A12 Exploration and Evaluation Costs

Exploration and evaluation costs are stated at cost less accumulated amortisation and impairment losses (see Note B3).

	2020
	Total
	\$
Cost	
Balance at 19 June 2019	-
Additions	8,227,967
Balance at 30 June 2020	8,227,967
Amortisation	
Balance at 19 June 2019	-
Amortisation change for the period	-
Balance at 30 June 2020	-
Carrying amount	
At 19 June 2019	-
At 30 June 2020	8,227,967

The Company's accounting policy for the treatment of its exploration and evaluation costs is in accordance with the following requirements.

Exploration and evaluation assets are measured at cost.

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets pending determination of the technical feasibility and commercial

Notes to the Financial Statements (continued)

viability of the project. The capitalised costs are presented as intangible exploration and evaluation assets. When a licence is relinquished or a project abandoned, the related costs are recognised in the statement of comprehensive income.

For each area of interest, expenditures incurred in the exploration for and evaluation of mineral resources are partially or fully capitalised and recognised as an exploration and evaluation asset if the requirements below are satisfied.

The Company decides to recognise an exploration and evaluation asset separately for each area of interest.

An exploration and evaluation asset is only recognised in relation to an area of interest if the following conditions are satisfied:

- (a) the rights to tenure of the area of interest are current; and
- (b) at least one of the following conditions is also met:
 - (i) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
 - (ii) exploration and evaluation activities in the area of interest have not at the end of the reporting period reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

An area of interest refers to an individual geological area whereby the presence of a mineral deposit is considered favourable or has been proved to exist. It is common for an area of interest to contract in size progressively, as exploration and evaluation lead towards the identification of a mineral deposit, which may prove to contain economically recoverable reserves. When this happens during the exploration for and evaluation of mineral resources, exploration and evaluation expenditures are still included in the cost of the exploration and evaluation asset notwithstanding that the size of the area of interest may contract as the exploration and evaluation operations progress. In most cases, an area of interest will comprise a single mine or deposit.

A13Commitments

Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements specified by the New South Wales Government. These obligations are subject to renegotiation when application for a mining lease is made and at other times.

Agreement for Lease

On 20 April 2020, the Company executed a deed of agreement for the Company to lease a property at 11-19 William Street Orange, NSW, 2800 (**Property**) to be used by the Company for offices and storage. As of 30 June 2020, finalisation of the lease was conditional upon the lessor completing agreed office fit-out works.

From the lease commencement date, which is yet to be determined, rent will be \$70,200 per annum excluding GST indexed for the lease period (initial 3 years with an option to renew for a further 3

Notes to the Financial Statements (continued)

years). The Company has provided the lessor with a bank undertaking of \$17,550, representing 3-months of rent.

As of 30 June 2020, the Company did not have the right to obtain economic benefits from the use of the Property, nor the right to direct how and for what purpose the Property is used.

These obligations are not provided for in the financial report and are payable as follows.

	2020	
	Exploration expenditure commitments	Agreement to Lease
	\$	\$
Within one year	950,000	70,200
One year or later and not later than five years	3,035,000	140,400
Later than five years	245,000	-
	4,230,000	210,600
		4,440,600

A14 Segment Reporting

An operating segment is a component of the Group that engages in business activities whose operating results are reviewed regularly by the Group's Board and for which discrete financial information is available.

The Group is involved solely in mineral exploration within its 100% controlled Australian-based projects in the Lachlan Fold Belt (LFB) NSW and thus has a single operating segment.

Business and geographical segments

The results and financial position of the Company's single operating segment are prepared on a basis consistent with Australian Accounting Standards and thus no additional disclosures in relation to the revenues, profit or loss, assets and liabilities and other material items have been made. Entity-wide disclosures in relation to the Group's product and services and geographical areas are detailed below.

Products and services

The Group is involved solely in mineral exploration within its 100% controlled Australian-based projects in the Lachlan Fold Belt (LFB) NSW and, as such, currently provides no products for sale.

Geographical areas

The Company's exploration activities are located solely in Australia.

A15 Contingencies

Details of contingent liabilities where the probability of future payments/receipts is not considered remote are set out below:

On 25 July 1991, Tri Origin Exploration Limited and Mr David Timms (a geologist and unrelated party) entered into a finder's fee agreement (**Finder's Fee Agreement**) pursuant to which Mr Timms is eligible to receive a finder's fee in relation to a mineral property in Australia, comprising 2.56 km², and designated as EL 1049 in New South Wales, Australia (**Property**).

The mining tenement designated as EL 1049 was cancelled in a broader process of replacing a number of licences in the area with a single new licence, EL 5583 (**EL 5583**). TriAusMin Pty Ltd (an entity that is the Company's wholly owned subsidiary), is the registered holder of EL 5583.

The area referred to as the Property in the Finder's Fee Agreement is now located within the boundaries of EL 5583.

Notes to the Financial Statements (continued)

On this basis, a portion of EL 5583 (being the 2.56km² Property) is subject to a finder's fee, payable to Mr David Timms, following commencement of production, or sale of EL5583, capped at A\$2,000,000. The fee is payable in respect of:

- (a) 1/3 proceeds from the sale of EL 5583; or
- (b) 1/3 of net profits from production from the Property; or
- (c) 30% of any royalties received from production from the Property.

A16 Subsequent Events

Directors are not aware of any matter or circumstance that has arisen since the end of the financial period that has significantly affected or may significantly affect the Group's operations, the results of these operations or the Group's state of affairs in future financial years, excepting, since 30 June 2020, 138,823 Loyalty Options have been exercised for \$0.20 cash each. At the date of this report, 29,139,638 Loyalty Options are unexercised.

Section B – Risk and Judgement

This section outlines the key judgements, 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. This section also outlines the significant financial risk the Group is exposed, to which the Directors would like to draw the attention of the readers.

B1 Financial Risk Management

Overview

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

The Group does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. Exposure limits are reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

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

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Presently, the Group is in exploration phase, therefore does not earn revenue from sales and therefore has no accounts receivables. At the reporting date, there were no significant credit risks in relation to trade receivables.

For the Company, credit risk arises from receivables due from subsidiaries.

Cash and cash equivalents

The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating.

Notes to the Financial Statements (continued)

Exposure to credit risk

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

	Note	Carrying Amount 2020 \$
Current		
Cash and cash equivalents	A10	4,861,593
Prepayments	A7	13,576
Other receivables	A7	69,305
		82,881
		4,944,474

Impairment losses

None of the Group's other receivables are past due.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows.

The decision on how the Company will raise future capital will depend on market conditions existing at that time.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Note	Carrying amount \$	Contractual cash flows \$	6 months or less \$
30 June 2020				
Trade and other payables	A8	173,100	173,100	173,100

Market risk

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

Currency risk

The Group is not exposed to currency risk and at the reporting date the Group holds no financial assets or liabilities which are exposed to foreign currency risk.

Notes to the Financial Statements (continued)

Interest rate risk

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

The Group adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents in short terms deposit at interest rates maturing over three month rolling periods.

Profile

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

	Carrying amount 2020 \$
Variable rate instruments	
Financial assets	5,027,355
Financial liabilities	(173,100)
	<u>4,854,255</u>

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the end of the financial period would have increased or decreased profit and loss by \$55,022. This analysis assumes that all other variables remain constant.

Commodity Price Risk

The Group operates primarily in the exploration and evaluation phase and accordingly the Group's financial assets and liabilities are subject to minimal commodity price risk.

Capital and Reserves Management

The Group's objectives when managing capital and reserves are to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital and reserve structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt. The Group's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities.

There were no changes in the Group's approach to capital management during the period. Risk management policies and procedures are established with regular monitoring and reporting.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Notes to the Financial Statements (continued)

Financial Instruments

AASB 9 *Financial Instruments* includes guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. AASB 9 has been adopted with no impact and no material changes in comparative information required.

B2 Determination of Fair Values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the Notes specific to that asset or liability.

Other receivables

The fair value of other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes or when acquired in a business combination.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Share-based payment transactions

The fair value of the share options is measured using the Black Scholes model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

Financial Instruments

AASB 9, including the expected credit loss model for calculating impairment on financial assets, has been adopted with no impact and no material changes in comparative information required.

B3 Impairment

The carrying amounts of the Group's assets other than deferred tax assets (see Note D2), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below).

For intangible assets that are not yet available for use, the recoverable amount is estimated annually, or when facts and circumstances suggest the carrying amount may exceed its recoverable amount.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income unless the asset has been re-valued previously in which case the impairment loss is recognised as a reversal to the extent of the previous revaluation with any excess recognised through the statement of profit or loss and other comprehensive income.

Notes to the Financial Statements (continued)

Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a *pro rata* basis.

Calculation of recoverable amount

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

B4 Financial Instruments

Effective interest rates and repricing analysis

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the reporting date and the periods in which they reprice.

	Effective interest rate %	Total \$	6 months or less \$	6-12 months \$	1-2 years \$	2-5 years \$	More than 5 years \$
2020							
Cash and cash equivalents	1.14	4,861,593	4,861,593	-	-	-	-

Fair values

The fair values together with the carrying amounts shown in the statement of financial position are as follows:

	Note	Carrying amount 2020 \$	Fair value 2020 \$
Cash and cash equivalents	A10	4,861,593	4,861,593
Prepayments and other receivables	A7	82,881	82,881
Trade and other payables	A8	(173,100)	(173,100)
		<u>4,771,374</u>	<u>4,771,374</u>

Notes to the Financial Statements (continued)

Section C – Key Management Personnel and Related Party Disclosures

This section includes information about key management personnel's remunerations, related parties information and any transactions key management personnel or related parties may have had with the Group during the period.

C1 Key Management Personnel Expenses

Share-based payment transactions

The grant date fair value of equity-settled share-based payment awards granted is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

Wages, salaries, and annual leave

Liabilities for benefits such as wages and salaries represent present obligations resulting from services provided to the reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at the reporting date.

	2020 \$
Salaries and fees	264,043
Consulting charges	93,240
Superannuation	25,085
	<hr/> 382,368
Non-cash key management personal expense from granting of options	92,079
Key management personnel expenses	<hr/> 474,447

C2 Key Management Personnel Disclosures

Individual Directors and executive compensation disclosures

Information regarding individual Directors' and executives' compensation and some equity instruments disclosures are required by Corporation Regulation 2M.3.03 and provided in the remuneration report section of the Directors' Report.

Apart from the details disclosed in this Note, no Director has entered into a material contract with the Company or the Group during the financial period and there were no material contracts involving Directors' interests existing at period-end.

Directors' transactions with the Company or its controlled entities

Aggregate amounts payable to Directors and their Director related entities for unpaid Directors' fees, statutory superannuation owed to each Director's superannuation fund, and consulting fees at the reporting date were as follows:

	2020 \$
Accounts Payable - current	
Directors' fees payable	<hr/> 9,106

The terms and conditions of the transactions with Directors or their Director related entities, outlined above, were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-Director-related entities on an arm's length basis.

Notes to the Financial Statements (continued)

C3 Related Party Disclosures

Identity of related parties

The Group has a related party relationship with its subsidiaries (see Note C4) and with its Directors and executive officers.

Other related party transactions

The classes of non-Director related parties are:

- wholly owned subsidiaries;
- partly owned subsidiaries;
- commonly controlled subsidiaries;
- joint ventures;
- associates; and
- Directors of related parties and their personally related entities.

Related party transactions

The following related party transaction charges for Directors' fees, consulting fees, were made with the Group on normal terms and conditions and in the ordinary course of business:

	Transaction Value for 12 months ended 30 Jun 2020 \$	Balance Outstanding 30 Jun 2020 \$	Terms
Cash Remuneration			
Directors' Fees	80,710	9,106	Payable at call
Superannuation benefits	7,672	-	
Consulting Fees	49,500	-	
	137,882	9,106	
Non-cash Remuneration			
Options remuneration	70,551	-	
	70,551	-	
	208,433	9,106	

C4 Consolidated Entities

	Country of incorporation	Ownership interest 2020 %
Parent entity		
Godolphin Resources Limited	Australia	
Subsidiaries		
Godolphin Tenements Pty Ltd	Australia	100
TriAusMin Pty Ltd	Australia	100

In the financial statements of the Company, investments in controlled entities and associates are measured at cost and included with other financial assets.

Notes to the Financial Statements (continued)

Section D – Other Disclosures

This section includes information that the Directors do not consider to be significant in understanding the financial performance and position of the Group but must be disclosed to comply with the Accounting Standards, the *Corporations Act 2001* (Cth) or the Corporations Regulations.

D1 Administration Expenses

	2020 \$
Accounting / secretarial expense	99,320
Audit fees	20,000
Compliance: ASX/ASIC/Share Registry fees	13,693
Consulting fees	47,375
Information technology / website expense	22,010
Insurances expense	32,242
Office rent	10,260
Other expenses	29,438
Recruitment fees	41,104
Travel and accommodation expenses	23,238
	<hr/>
	338,680

D2 Income Tax

Income tax is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill, the initial recognition of assets and liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets recorded at each reporting date are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Tax consolidation

The Company and its wholly owned Australian resident entities have formed a tax-consolidated group.

All members of the tax-consolidated group are taxed as a single entity from 4 December 2019. The head entity within the tax-consolidated group is Godolphin Resources Limited.

Current tax expense/ income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial

Notes to the Financial Statements (continued)

statements of the members of the tax-consolidated group using the “stand alone taxpayer” approach for each entity, as if it continued to be a taxable entity in its own right.

Any current liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax consolidated group and are recognised by the Company as amounts payable / (receivable) to / (from) other entities in the tax-consolidated group. Any difference between these amounts is recognised by the Company as an equity contribution or distribution.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

As the tax-consolidated group has no income tax payable, the head entity has not entered into a tax funding arrangement in conjunction with other members of the tax-consolidated group which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts.

Numerical reconciliation between tax benefit and pre-tax net loss

	2020 \$
Loss before tax	801,362
Prima facie Income tax benefit at a tax rate of 30%	240,409
Decrease in income tax benefit due to:	
Income tax losses not recognised	(240,409)
Income tax benefit on pre-tax net loss	-

Unrecognised deferred tax assets

Revenue tax losses	1,621,248
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The tax losses do not expire under current legislation though these losses are subject to testing under loss recoupment rules in order for them to be utilised. Deferred tax assets have not been recognised in respect of this item because, at this time, it is not probable that future taxable profit will be available against which the benefits can be offset.

At 30 June 2020, the Group had no franking credits available for use in subsequent reporting periods.

D3 Loss Per Share

Basic earnings per share (EPS) is calculated by dividing the net profit or loss attributable to members of the parent entity for the financial period, after excluding any costs of servicing equity (other than ordinary shares and converting preference shares classified as ordinary shares for EPS calculation purposes), by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue. Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after-tax effect of financial costs associated with dilutive ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary and dilutive potential ordinary shares adjusted for any bonus issue.

Notes to the Financial Statements (continued)

The calculation of basic and diluted losses per share for the period ended 30 June 2020 was based on the net loss attributable to ordinary shareholders of \$801,362 and a weighted average number of ordinary shares outstanding during the period ended 30 June 2020 of 37,258,162, calculated as follows:

	2020
	\$
Loss for the financial period attributable to ordinary shareholders	801,362
<i>Weighted average number of ordinary shares</i>	
Undiluted Number of Shares	Number
Issued ordinary shares at 19 June 2019	100
Effect of shares issued 4 December 2019	16,587,301
Effect of shares issued 5 December 2019	20,581,270
Effect of shares issued 30 April 2020	89,491
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	37,258,162

49,278,461 potential shares were excluded from the calculation of diluted earnings per share because they are antidilutive for the period ended 30 June 2020 as the Company is in a loss position.

D4 Auditor's Remuneration

	2020
	\$
Auditors of the Company <i>Butler Settineri (Audit) Pty Ltd</i>	
Audit and review of financial reports	20,000
Non-audit accounting services	8,000
	28,000

D5 Parent Entity Disclosures

The Group has applied amendments to the *Corporations Act 2001* (Cth) that remove the requirements for the Group to lodge parent entity financial statements. Parent entity financial statements have been replaced by the following specific parent entity disclosure.

As at, and throughout, the financial period ending 30 June 2020 the parent company of the Group was Godolphin Resources Limited.

Notes to the Financial Statements (continued)

	2020 \$
Results of the parent entity	
Loss for the period	801,362
Other comprehensive income	-
Total comprehensive income for the financial period	<u>801,362</u>
Financial position of parent entity at period end	
Current assets	4,944,474
Non-current assets	8,650,888
Total assets	<u>13,595,362</u>
Current liabilities	213,395
Non-current liabilities	56,000
Total liabilities	<u>269,395</u>
Net Assets	<u>13,325,967</u>
Total equity of the parent entity comprising of:	
Share capital	12,816,766
Reserve	1,310,563
Accumulated Losses	<u>(801,362)</u>
Total Equity	<u>13,325,967</u>

Parent entity capital commitments for acquisition of property, plant & equipment

Refer to Note A13 for commitments related to the parent entity.

Contingencies

Refer to Note A15 for contingencies related to the parent entity.

D6 Financing Income and Expenses

Interest income is recognised as it accrues taking into account the effective yield on the financial asset.

Finance expenses comprise interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

D7 Derivatives

The financial entity does not hold any derivative financial instruments.

D8 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 taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Notes to the Financial Statements (continued)

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

D9 New Accounting Standards

A number of new standards and amendments to standards are effective for annual periods beginning 1 January 2019 or later. These new standards and amendments have been applied in preparing these financial statements and none of them have had a significant effect on the financial statements of the Group.

AASB 16 Leases

AASB 16 Leases removes the lease classification test and requires all leases (including operating leases) to be brought onto the balance sheet. The definition of a lease is also amended and is now the new on/off balance sheet test for lessees. Management has assessed the impact of AASB 16 and, with an agreement to lease, has deemed the impact to be nil. Refer to Note A13 for more details.

Directors' Declaration

1. In the opinion of the Directors of Godolphin Resources Limited ("the Company"):
 - (a) the consolidated financial statements and notes that are set out on pages 25 to 50 and the Remuneration Report on pages 13 to 20 in the Directors' Report, are in accordance with the *Corporations Act 2001* (Cth), including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the financial period ended on that date; and
 - (ii) complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* (Cth) from the Chief Executive Officer and Chief Financial Officer for the financial period ended 30 June 2020.

Signed in accordance with a resolution of the Directors.



Jeremy Read
Chairman
Brisbane
31 August 2020

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of Godolphin Resources Limited for the period from registration on 19 June 2019 through to 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Godolphin Resources Limited and the entities it controlled during the period.

BUTLER SETTINERI (AUDIT) PTY LTD



LUCY P GARDNER
Director

Perth

Date: 31 August 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GODOLPHIN RESOURCES LIMITED

Report on the financial report

Opinion

We have audited the financial report of Godolphin 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 comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period from registration on 19 June 2019 through to 30 June 2020 ("the Period"), 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:

- i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the Period then ended; and
- ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We have 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 ethical requirements 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.

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.

Key Audit Matter

How our audit addressed the key audit matter

Capitalised mineral exploration expenditure (refer notes A12 and B3)

The Group operates as an exploration entity and as such its primary activities entail expenditure focussed on the exploration for and evaluation of economically viable mineral deposits. These activities currently relate to several projects areas in the Lachlan Fold Belt in New South Wales.

All exploration and evaluation expenditure incurred has been capitalised and recognised as an asset in the Statement of Financial Position. The closing value of this asset is \$8,227,967 as at 30 June 2020.

The carrying value of capitalised mineral exploration assets is subjective and is based on the Group's intention and ability, to continue to explore the asset. The carrying value may also be affected by the results of ongoing exploration activity indicating that the mineral reserves and resources may not be commercially viable for extraction. This creates a risk that the asset value included within the financial statements may not be recoverable.

Our audit procedures included:

- ensuring the Group's continued right to explore for minerals in the relevant exploration areas including assessing documentation such as exploration and mining licences;
- enquiring of management and the directors as to the Group's intentions and strategies for future exploration activity and reviewing budgets and cash flow forecasts;
- assessing the results of recent exploration activity to determine whether there are any indicators suggesting a potential impairment of the carrying value of the asset;
- assessing the Group's ability to finance the planned exploration and evaluation activity; and
- assessing the adequacy of the disclosures made by the Group in the financial report.

Other information

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

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

Directors' responsibilities 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 the 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the 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 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.
- 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 significant in the audit of the financial report of the current period and are therefore 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 public interest benefits of such communication.

Report on the remuneration report

Opinion

We have audited the remuneration report included on pages 13 to 20 of the directors' report for the period from registration on 19 June 2019 through to 30 June 2020.

In our opinion, the remuneration report of Godolphin Resources Limited for the Period, 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.

BUTLER SETTINERI (AUDIT) PTY LTD



LUCY P GARDNER
Director

Perth

Date: 31 August 2020

Additional Shareholder Information

Shares

At a general meeting on a show of hands, each member present in person or by proxy has one vote and on a poll each member present in person or by proxy, attorney or representative of a member has one vote for each fully paid share held by the member.

If a member holds partly paid shares, the number of votes the member has in respect of those shares on a poll is determined as follows:

$$D = (A \times B) / C$$

where:

A is the number of those shares held by the member;

B is the amount paid on each of those shares excluding any amount:

(i) paid or credited as paid in advance of a call; and

(ii) credited as paid on those shares to the extent that it exceeds the value (ascertained at the time of issue of those shares) of the consideration received for the issue of those shares;

C is the issue price of each of those shares; and

D is the number of votes attached to those shares.

At 6 August 2020, issued capital was 67,975,399 ordinary fully paid shares held by 4,188 holders:

Class of shares	If escrowed, end of escrow period	Number of Shares
Quoted ordinary fully paid shares	Not applicable	67,975,299
Unquoted ordinary fully paid shares	18 December 2021 (ASX escrow)	100
Total		67,975,399

20 Largest Holders by Name of Ordinary Shares and their Share Holdings at 6 August 2020:

Rank	Name	Number of Shares	% of Issued Capital
1	JOSCO PTY LTD <O'SHANNASSY FAMILY A/C>	4,203,189	6.18%
2	MR DAVID ANTHONY JOHNSTON	3,317,750	4.88%
3	KURANA PTY LTD <BUCHHORN UNIT ACCOUNT>	2,817,789	4.15%
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,470,337	3.63%
5	HAZURN PTY LTD <BUCHHORN SUPER FUND A/C>	2,437,024	3.59%
6	CITICORP NOMINEES PTY LIMITED	2,363,165	3.48%
7	RED PUMA PTY LTD	1,706,000	2.51%
8	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,353,729	1.99%
9	MR OLIVIER DUPUY + MS JULIE DUPUY	1,350,000	1.99%
10	MRS PAMELA JEAN BUCHHORN	1,136,314	1.67%
11	LATSOD PTY LTD <DOSTAL SUPERFUND A/C>	1,100,000	1.62%
12	AUSTRALIAN LAND PTY LTD <THE SOUTHDOWN A/C>	1,000,000	1.47%
13	SACHA TRADING COMPANY PTY LTD <THE JOHN ROSZBACH S/F A/C>	968,030	1.42%
14	TOPWEAL PTY LTD <HART SUPER FUND A/C>	850,000	1.25%
15	MARTIN BUCKLEY <THE M BUCKLEY FAMILY A/C>	849,923	1.25%
16	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	820,816	1.21%
17	MR IWAN JONES + MS JOYCE CHRISTINE JONES	726,598	1.07%
18	B & J O'SHANNASSY MANAGEMENT PTY LTD	717,317	1.06%
19	ARDEA RESOURCES LIMITED	580,357	0.85%
20	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	521,803	0.77%
Top 20 holders of ORDINARY SHARES (TOTAL)		31,290,141	46.04%

Additional Shareholder Information (continued)

Distribution of Share Holders and Share Holdings at 6 August 2020

Range	Total holders	Number of Shares	% of Issued Capital
1 - 1,000	2,572	651,276	0.96%
1,000 - 5,000	750	1,691,027	2.49%
5,000 - 10,000	250	1,878,667	2.76%
10,000 - 100,000	514	17,494,115	25.74%
100,000 Over	102	46,260,314	68.05%
Total	4,188	67,975,399	100.00%

Unmarketable Parcels at 6 August 2020

	Minimum Parcel Size	Holders	Number of Shares
Minimum \$ 500.00 parcel at \$ 0.235 per share	21,276	2,965	1,214,303

Substantial Shareholders at 6 August 2020

	Number of Shares	Proportion of Issued Shares
Ian Buchhorn and associates	6,699,849	9.86%
B O'Shannassy and associates	4,920,506	7.24%

Unquoted Options

At 6 August 2020 there were 49,260,213 unquoted options with various exercise prices and expiry dates.

Exercise Price	Grant Date	Vesting Date	Expiry Date	If escrowed, end of escrow period	Number
\$0.25	5 Dec 2019	5 Dec 2019	5 Dec 2022	18 Dec 2021 (ASX escrow)	17,000,000
	5 Dec 2019	18 Dec 2019	5 Dec 2022		1,000,000
\$0.25	5 Dec 2019	1 Nov 2021	5 Dec 2022	Not applicable	750,000
	5 Dec 2019	16 Dec 2021	5 Dec 2022		1,000,000
	5 Dec 2019	21 Jan 2022	5 Dec 2022		250,000
\$0.20	15 June 2020	15 June 2020	15 June 2022	Not applicable	29,260,213
Total					49,260,213

Each option provides the right for the option holder to be issued one fully paid share by the Company, upon payment of the exercise price of each option.

Over 20% Holders by Name of Options (\$0.25 Exercise Price) and their Option Holdings at 6 August 2020:

Name	Number of Options	% of Total Options
ARDEA RESOURCES LIMITED	15,000,000	75.00%

Additional Shareholder Information (continued)

Distribution of Option Holders and Option Holdings at 6 August 2020 (\$0.25 Exercise Price)

Range	Total holders	Number of Options	% of Total Options
1 - 1,000	-	-	-
1,000 - 5,000	-	-	-
5,000 - 10,000	-	-	-
10,000 - 100,000	2	175,000	0.88%
100,000 Over	11	19,825,000	99.12%
Total	13	20,000,000	100.00%

Distribution of Option Holders and Option Holdings at 6 August 2020 (\$0.20 Exercise Price)

Range	Total holders	Number of Options	% of Total Options
1 - 1,000	3,169	564,031	1.93%
1,000 - 5,000	527	1,357,837	4.64%
5,000 - 10,000	154	1,179,312	4.03%
10,000 - 100,000	267	7,855,170	26.85%
100,000 Over	40	18,303,863	62.55%
Total	4,157	29,260,213	100.00%

Mining Exploration Tenements

The Company holds the following exploration and mining licences.

Tenure	Location	Company's Interest	Status
EL 5583	Lewis Ponds ⁹	100%	Live
EL 8323	Ophir	100%	Live
EL 8556	Copper Hill East	100%	Live
EL 8966	Mt Bulga	100%	Live
EL 8901	Caledonian	100%	Live
EL 8532	Mt Aubrey	100%	Live
EL 8538	Yeoval	100%	Live
EL 8964	Yallundry	100%	Live
EL 8963	Obley West	100%	Live
EL 8962	Obley North	100%	Live
EL 8890	Cumnock	100%	Live
EL 8554	Wisemans Creek	100%	Live
EL 8555	Calarie	100%	Live
EL 8580	Calarie Central	100%	Live
ML 0739	Calarie Lachlan Mine	100%	Live
EL 8061	Gundagai South	100%	Live
EL 8586	Gundagai North	100%	Live
EL 8889	Gundagai	100%	Live
ELA5916	Gadara	100%	Under application

⁹ Finder's fee to David Timms on EL5583 sale transaction or production commencement (capped at \$2,000,000) Refer Note A15 for further details.

Additional Shareholder Information (continued)

Use of Funds

Since its admission to the ASX's official list on 16 December 2019 until 30 June 2020, the Company has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives.

Securities Exchange Listing

The Company's ordinary shares are listed on the Australian Securities Exchange. The Company's ASX code for quoted ordinary shares is GRL.

On-Market Buy Back

There is no on-market buy-back.

Corporate Governance Statement

The Company's Corporate Governance statement for the financial period ended 30 June 2020 is available for members to download and access from <https://godolphinresources.com.au/governance>