



**ST GEORGE**  
MINING LIMITED  
ANNUAL REPORT 2020

## CORPORATE DIRECTORY

### Board of Directors

John Prineas - Executive Chairman  
 John Dawson – Non-Executive Director  
 Sarah Shipway - Non-Executive Director

### Company Secretary

Sarah Shipway

### Principal Office

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 28 Ord Street  
 West Perth WA 6005

### Registered Office

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### Australian Business Number

ABN 21 139 308 973

### Share Register

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### Stock Exchange Code

SGQ – Ordinary Shares

### Auditors

Stantons International

### Bankers

Commonwealth Bank



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***St George's Mt Alexander Project hosts extensive massive sulphide mineralisation enriched with high-grade nickel, copper, cobalt and platinum group metals.***



*Photo: drill core from MAD177 at approx. 185m downhole. Coarse grained pentlandite and chalcopyrite is observed.*

*Assays returned:  
**10.5m @ 4.82% Ni, 1.67% Cu,  
0.15% Co and 2.87 g/t total PGEs  
from 182.5m,***

*Including*

***4m @ 7.53% Ni, 2.47% Cu, 0.23%  
Co and 3.92 g/t total PGEs from  
186m***

*Platinum group metals include  
high levels of Palladium and  
Rhodium – **10.5m @ 2.33g/t Pd  
and 0.08g/t Rh including 4m @  
3.23g/t Pd and 0.1g/t Rh.***

**Dear Fellow Shareholders**

It is my pleasure to present the Annual Report of St George Mining Limited (ASX: SGQ) for 2020 – a significant year which saw the Company achieve key milestones on our growth agenda.

At our flagship Mt Alexander Project, ongoing drilling and geophysical programmes during the year in review delivered another significant shallow discovery of nickel-copper sulphides at the Radar Prospect – located in an unexplored section of the Cathedrals Belt and about 1.2km east of known mineralisation.

This blind discovery extended the east-west strike of known high-grade mineralisation along the Cathedrals Belt to 5.5km encompassing four shallow discoveries at Investigators, Stricklands, Cathedrals and now Radar.

Such an extensive strike of mineralisation is further confirmation of the large intrusive mineral system at the Cathedrals Belt and supports the potential for significant mineralisation to also be present at depth, below the shallow deposits already discovered.

Drilling of deep targets has commenced with thick mineralised mafic-ultramafic units intersected in multiple drill holes, successfully identifying a large target horizon for potential further nickel-copper sulphide deposits at depth. Drilling continues in this highly anticipated programme.

An important strategic initiative taken during the year was to commence a scoping study for a potential mining operation at the shallow high-grade deposit at Stricklands. A resource drill-out was completed with metallurgical and flowsheet analysis underway.

Our strategy is to establish a low-cost, high-margin mining operation at Mt Alexander – initially to mine the Stricklands deposit and then rolling out the same model to the shallow high-grade deposits at Investigators and Cathedrals. The early results from this scoping work are highly encouraging.

We are also pleased to have established a new project in the Paterson Province. This is one of the most highly endowed mineral provinces in Australia but remains underexplored. A number of recent significant copper and gold discoveries – including at Rio Tinto's Winu Project and at the Havieron Project being explored in joint venture by Greatland Gold and Newcrest – have ensured that the region is re-emerging as a highly sought after exploration address with potential for world-class discoveries.

Geophysical surveys at our Paterson Project have identified several high priority targets. Drilling of these targets – scheduled for later this year – promises to be a very exciting time our Shareholders.

I would like to thank our technical team for the professional job they have done in systematically advancing exploration at all our projects over the past year to bring about the key milestones achieved. These have established a strong platform for further exploration success and creation of Shareholder wealth.

On behalf of the Board of Directors, I thank you – our Shareholders – for your continuing support. We look forward to an exciting year ahead.



John Prineas  
**Executive Chairman**



The Company's operational activities during the year ending 30 June 2020 focused on exploration and development work at our flagship Mt Alexander Project in Western Australia's north-eastern Goldfields. Exploration also commenced at our new Paterson Project, an early stage project in a world-class mineral district with excellent potential for a greenfields discovery.

### MT ALEXANDER PROJECT

#### *High-grade nickel-copper sulphide discoveries continue*

#### **Radar Prospect – new discovery:**

A significant shallow discovery of nickel-copper sulphides was made during the second half of 2019 at the Radar Prospect – the fourth shallow high-grade discovery at the Cathedrals Belt joining Stricklands, Investigators and Cathedrals.

The Radar discovery was made in an unexplored section of the Cathedrals Belt situated 1.2km east of known mineralisation. It extends the strike of high-grade mineralisation along the Belt to 5.5km and supports the prospectivity of more than 10km of underexplored strike of the Cathedrals Belt.

MAD152, the discovery hole at Radar, returned assays of **6m @ 2.14%Ni, 0.74%Cu and 1.62g/t PGEs from 46m, including 2.55m @ 4.29%Ni, 1.46%Cu and 3g/t PGEs from 49.05m**. Follow-up exploration at Radar is continuing to scope the full extent of deposit.



*Figure 1 – drill core from MAD152 with massive sulphides intersected from 49.05m downhole.*

The Radar discovery was made by drilling an electromagnetic (EM) conductor identified beneath 10m of transported cover and at a depth of 50m below surface. The discovery highlights the effectiveness of EM techniques in detecting 'blind' nickel-copper sulphide mineralisation in the Cathedrals Belt.

**Deeper drilling – new targets identified and fertile mafic-ultramafic units confirmed:**

The increased strike of high-grade mineralisation along the Cathedrals Belt confirmed by the Radar discovery is further evidence of the large mineral system at the Project. This strongly supports the potential to discover more mineralisation along the east-west strike of the Belt – and also at depth in the down-dip direction.

In particular, an intrusive system like that at the Cathedrals Belt, is typically characterised by mineralised mafic-ultramafic intrusions that can be present to significant depths – as seen in similar North American intrusive deposits such as Raglan (Northern Quebec) and Eagle (Michigan).

Surface EM surveys cannot reliably see beyond 250m below surface at the Cathedrals Belt, an issue experienced by other nickel discoveries such as Nova in Western Australia and Raglan in Northern Quebec.

Initial deeper drill holes at the Cathedrals Belt were completed in late 2019 to investigate the stratigraphy at depth. All holes successfully intersected nickel-copper sulphides and/or the host mafic-ultramafic intrusive stratigraphy – confirming the continuity of mineralisation down-dip of the shallow high-grade deposits. Downhole EM (DHEM) surveys in these deeper drill holes identified several off-hole conductors, giving further support for the presence of significant sulphide mineralisation at depth.

Magnetotelluric (MT) and Audio-magnetotelluric (AMT) surveys, which can map structures and stratigraphy to 1.5km below surface and beyond, were completed at the Cathedrals Belt in the first half of 2020. These surveys identified large conductive features at depth – significantly, these are located below the extent of current drilling and down-plunge of known nickel-copper sulphide deposits near surface, an ideal geological position for the continuation of the shallow deposits.

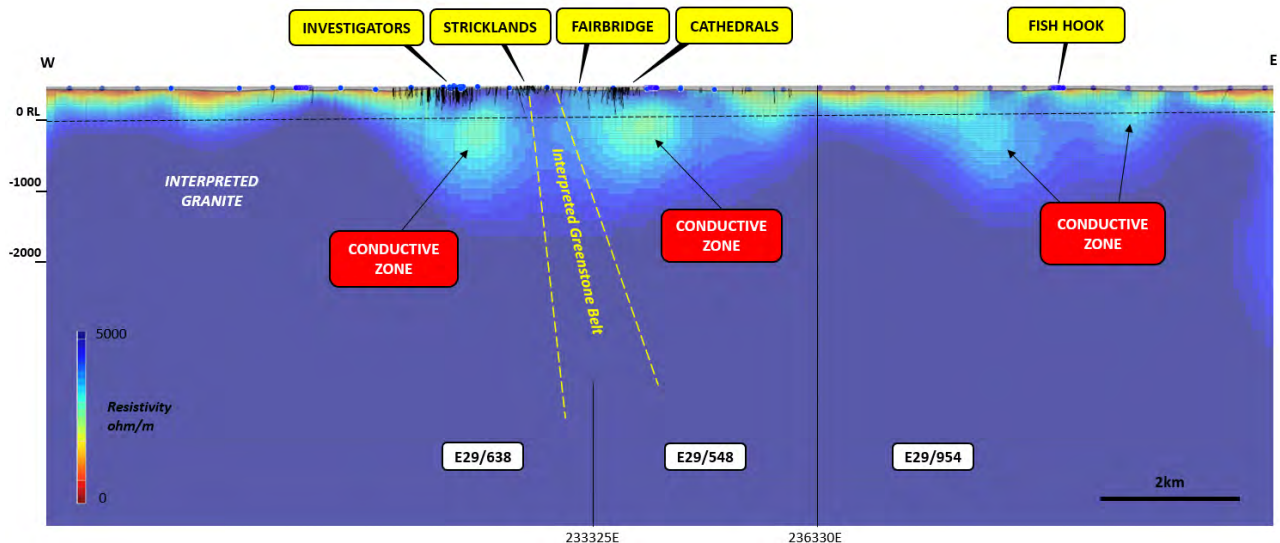


Figure 2 – long section (east-west, looking north) of the Cathedrals Belt with MT/AMT 3D inversion modelling of the survey data showing large conductive zones below the current extent of drilling.

Initial drilling to test the MT/AMT targets has successfully intersected thick mineralised mafic-ultramafic units, identifying a target horizon with an east-west orientation and strike of more than 4km. The thickness of these units – upto 50m – and presence of magmatic nickel-copper sulphides, supports the potential for significant massive sulphide mineralisation in this target horizon.

Drilling and DHEM surveys are being used concurrently to further investigate the target horizon for nickel-copper sulphide deposits.

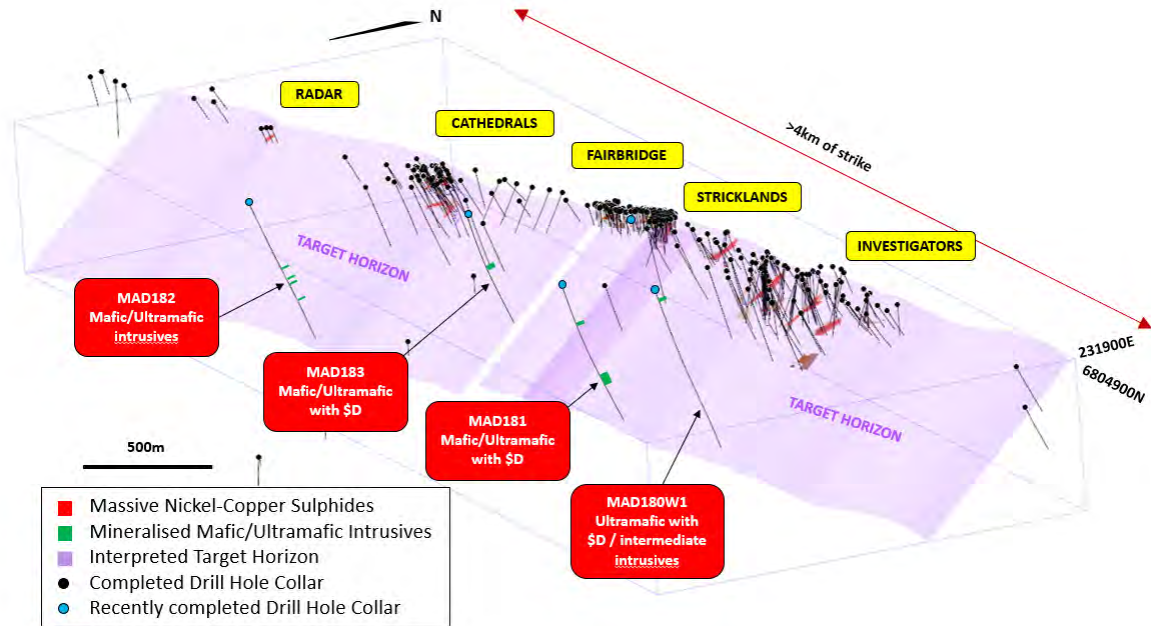


Figure 3 – schematic orthographic view of the Cathedrals Belt showing the large target horizon, the new discoveries in MAD181 and MAD183 as well as existing drilling and known massive nickel-copper sulphides.

**Pipeline of underexplored targets:**

Exploration is continuing at a number of underexplored areas including the Fish Hook and West End Prospects on the Cathedrals Belt.

At Fish Hook, the MT/AMT surveys identified a large conductive feature at depth and co-incident with the high-order nickel-copper soil anomaly at Fish Hook. Initial drilling in 2020 at Fish Hook was too shallow to test the MT target, and deeper drilling is being prioritised for Fish Hook.

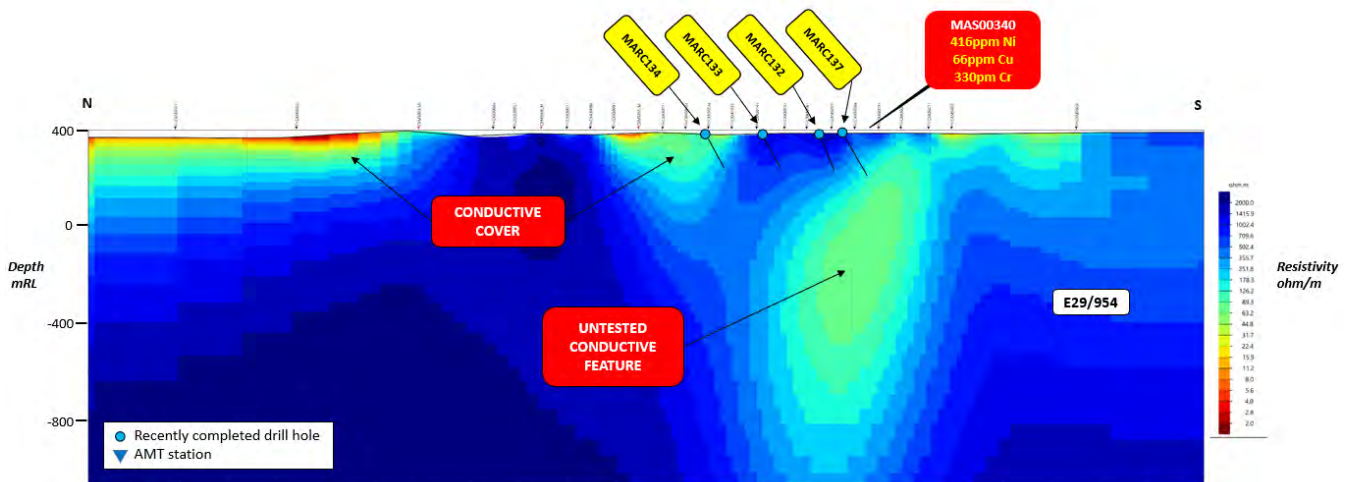


Figure 4 – north-south Cross Section A (looking east) of the Fish Hook Prospect with MT/AMT 3D inversion modelling of the survey data, showing a large conductive feature below the depth of recently completed drilling, and below the high-order nickel-copper soil anomaly.



The MT/AMT surveys also identified a strong conductive feature on exploration licence E29/548, the tenement immediately to the north of the area that hosts the Cathedrals Belt. Potentially, this feature could represent a similar structure to the Cathedrals Belt. Geophysical surveys and drilling will be planned for this target to further investigate the potential for mineralised ultramafics.

The Mt Alexander Belt – the north-south oriented belt to the south of the Cathedrals Belt – also hosts multiple underexplored targets. These include the Sultans Prospect where massive sulphide mineralisation has been intersected by drilling. Further drilling will be prioritised for the Mt Alexander Belt.

**Stricklands – advancing to a mine:**

**Resource Definition:** The resource drill-out of the shallow, high-grade nickel-copper sulphide deposit at Stricklands was completed during the second quarter of 2020 with 52 holes for 4,077m of RC (reverse circulation) drilling. The deposit has been defined over an area that is approximately 450m long, 50m wide and 80m deep; see Figure 5 for a schematic diagram of the interpreted mineralisation at Stricklands.

St George has appointed Entech as its external geological consultant to certify a maiden JORC resource estimate at the Mt Alexander Project.

Eight PQ-size diamond core drill holes were also completed at Stricklands for 661.6m of drilling. These drill holes will be used for metallurgical testwork and production flowsheet design.

Laboratory assaying of drill samples is being completed in Perth. Metallurgical testwork on the core samples will be carried out by XPS (Expert Process Solutions) in Canada which will also develop a flowsheet for the potential mining and processing of the Stricklands ore.

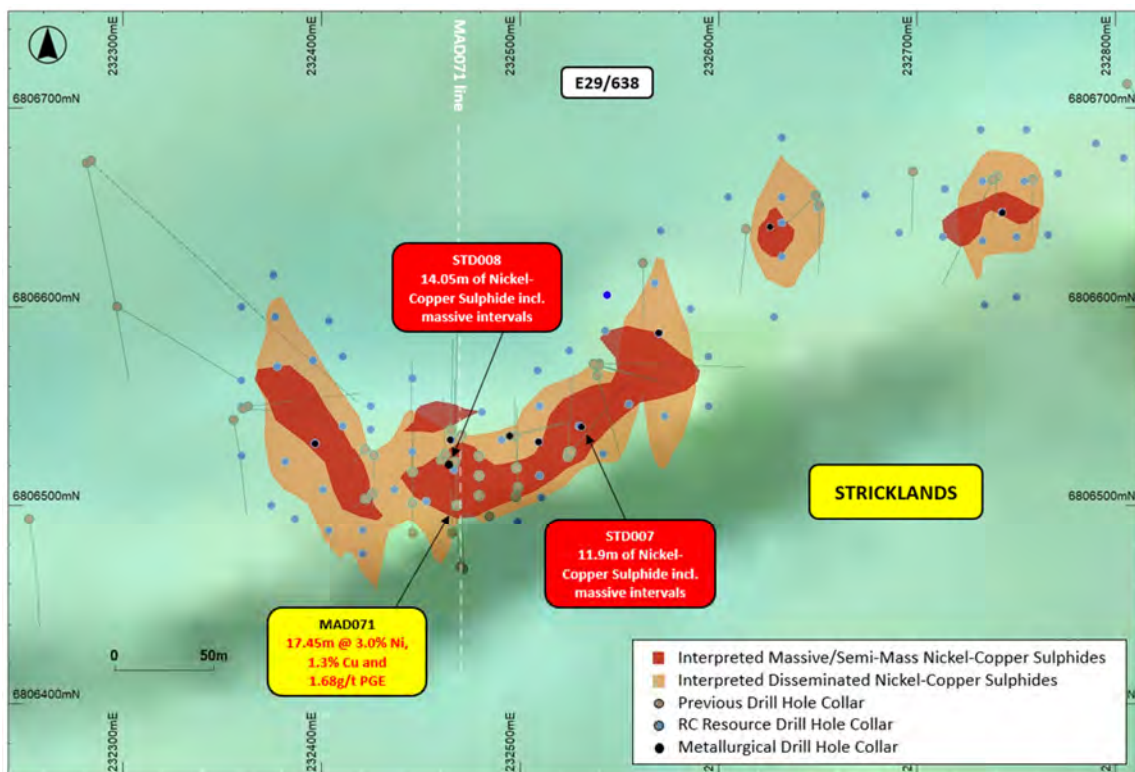


Figure 5 – schematic diagram of Stricklands (against TMI RTP 1VD magnetic data) showing the location of the RC and diamond drill holes completed as part of the resource development drill programme.



A key focus of the work by XPS will be to optimise economic recoveries of all metals in the Ni-Cu-Co-PGE mineralisation at Stricklands – including the palladium, platinum and rhodium that form the bulk of the platinum group metals.

XPS has industry leading expertise in metallurgical and processing services for polymetallic nickel sulphide mineralisation, which is more common in Canadian nickel sulphide deposits than in Australia. For example, the Raglan nickel sulphide mine in Northern Quebec, which is owned by the Glencore Group, has a similar polymetallic suite of metals to the Mt Alexander ore.

XPS is a part of the Glencore Group and based in Falconbridge, Ontario, Canada

**Scoping study:** The resource definition and metallurgical testwork will underpin the scoping study assessing a potential mining operation at Stricklands. The study will consider the potential for a high-margin mine that can be developed with very low capital costs and a simple open-pit mining operation.

The scoping study is initially focused on the Stricklands deposit which is assessed as potentially having the simplest mining operation of the four shallow deposits at the Cathedrals Belt.

Once the feasibility of a mining operation at Stricklands is established, studies will also be considered for a similar low cost, high margin mine at the shallow high-grade deposits at Investigators and Cathedrals.



Figure 6 – photographs of drill core from STD008, one of the metallurgical holes completed at Stricklands. STD008 intersected 14.05m of nickel-copper sulphides from 36.7m downhole. The mineralised interval included massive sulphides (90-100% sulphides) between 36.7m to 46m (photo on right) and brecciated textured sulphides (50-75% sulphides) from 46m to 50.75m (photo on left).

**About the Mt Alexander Project:**

The Mt Alexander Project is located 120km south-southwest of the Agnew-Wiluna Belt, which hosts numerous world-class nickel deposits. The Project comprises five granted exploration licences – E29/638, E29/548, E29/962, E29/954, E29/972 and E29/1041.

The Cathedrals, Stricklands, Investigators and Radar nickel-copper-cobalt-PGE discoveries are located on E29/638, which is held in joint venture by St George Mining Limited (75%) and Western Areas Limited (25%). St George is the Manager of the Project, with Western Areas retaining a 25% non-contributing interest in the Project (in regard to E29/638 only) until there is a decision to mine.

**PATERSON PROJECT**

**Exploration opportunity in world-class district**

St George secured ground in the Paterson Province on 17 December 2019 with the grant of Exploration Licence E45/5226. A second tenement, Exploration Licence E45/5422, was granted to St George on 10 July 2020. Figure 7 illustrates the regional location of the new St George tenements.

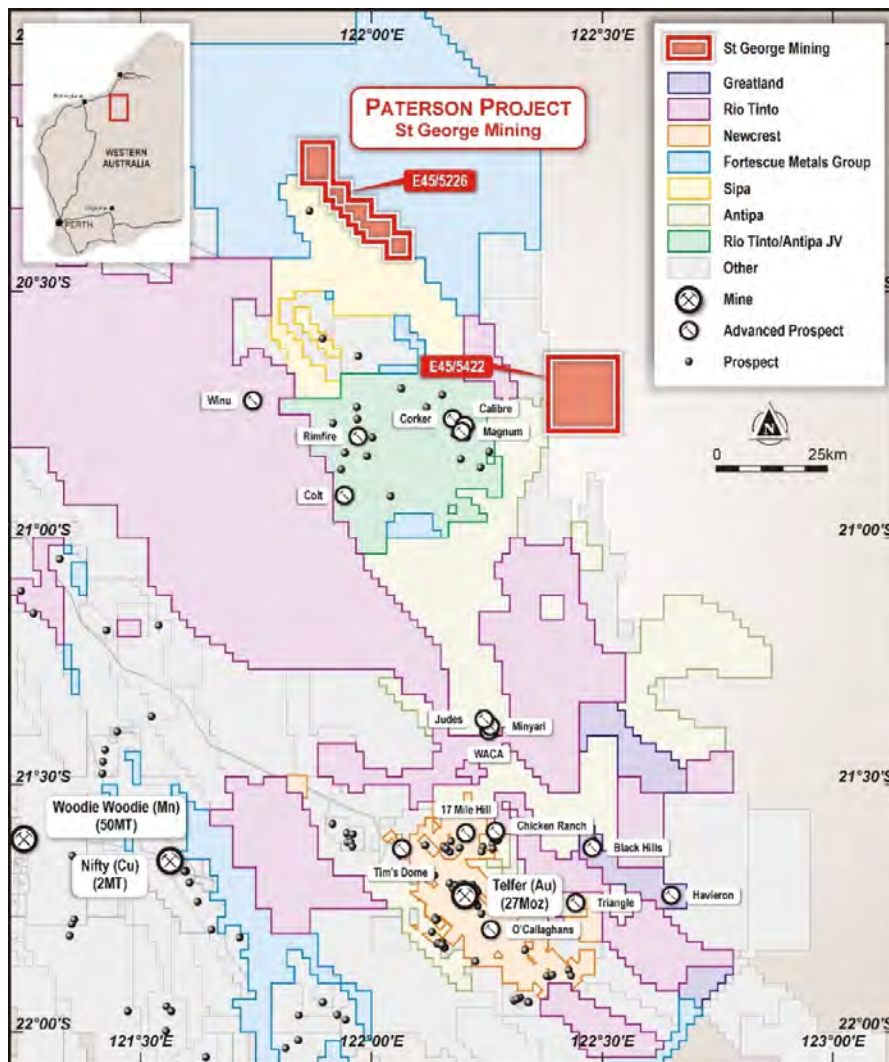


Figure 7 – map showing St George’s tenements in the Paterson Province as well as other projects in the region.

The Paterson Province is one of the most highly endowed mineral provinces in Australia, and hosts the giant Nifty (2Mt Cu) and Telfer (27M oz Au) deposits.

The region remains underexplored with a number of significant discoveries recently announced including Rio Tinto’s Winu Project and Newcrest’s Haveron Project (in joint venture with Greatland Gold).

E45/5226 covers more than 35km strike of prospective stratigraphy, with potential similarities to the stratigraphy that hosts the mineralisation at Winu, Nifty and Telfer.

St George completed a close-spaced airborne magnetic survey at this tenement in March 2020 with more than 4,000 line km flown with a line spacing of 100m.

The high-resolution data produced by the survey identified extensive magnetic units, interpreted to be sedimentary, throughout the 35km strike of the tenement – including sections with tectonic elements that are prospective areas to host mineral deposits; see Figure 8.

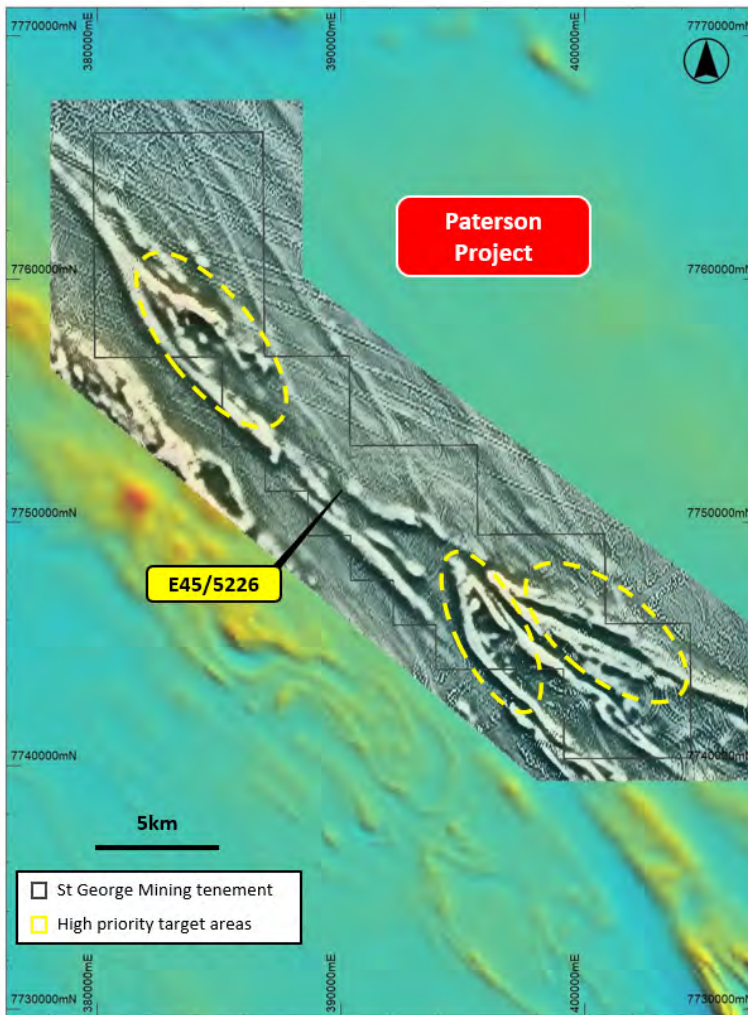


Figure 8 – new high resolution magnetic data (1VD greyscale) for St George’s E45/5226 set against regional magnetic data (TMI).

Multiple areas of interest have been identified and will be prioritised for further exploration and drill testing.

A gravity survey was also completed over E45/5226 in June 2020. The survey was carried out on 200m spacing, with 3,403 stations.

The gravity data acquired from the survey is currently being assessed. A preliminary review of the data has identified several areas of anomalism, including some that are coincident with highly prospective tectonic features and stratigraphic settings.

A detailed integration and review of the geophysical surveys will be completed to design drill targets for the maiden drill campaign at the Paterson Project – scheduled for Q4 2020.



EAST LAVERTON PROJECT

*Large gold-bearing system*

The East Laverton Project covers approximately 2,000 sq km and hosts a number of important structures and stratigraphic sequences that are interpreted to be prospective for gold and base metal mineralisation.

A project scale review and targeting exercise was completed during the year. The review was conducted by our technical team in conjunction with geological consultants CSA Global.

A number of high quality gold and VMS base metal targets were identified, with further exploration recommended.

St George believes that the Project areas remain underexplored, and we are considering further exploration as well as strategic options for the 100%-owned East Laverton Project.



*Photo: RC drill rig at Stricklands for the resource drill-out. Photo was taken at dawn.*



## CORPORATE DEVELOPMENTS

**Capital Raisings:**

The Company completed a number of initiatives during the year to secure new funds for its exploration activities.

In July 2019, the Company completed a placement of new shares which raised \$3,300,000 through the issue of 33,000,000 fully paid ordinary shares at \$0.10 per share.

In October 2019, \$5,795,000 was raised through the placement of 38,633,333 fully paid ordinary shares at \$0.15 per share. In addition, a corporate loan facility of \$850,000 was repaid in full through the issue of 5,666,667 fully paid ordinary shares at \$0.15 per share.

The Company has no loan facilities as from 31 October 2019.

In May 2020, the Company completed a placement of new shares that raised \$3,600,000 through the issue of 40,000,000 fully paid ordinary shares at \$0.08 per share.

In June 2020, the Company completed a Share Purchase Plan which also raised \$3,600,000 through the issue of 40,000,000 fully paid ordinary shares at \$0.08 per share.

Following the above share issuances, the Company had the below listed securities on issue:

*Fully Paid Ordinary Shares - 503,489,079*

*Listed Options exercisable at \$0.20 on or before 30 September 2020 - 24,576,114*

**Co-funded drilling grant:**

In May 2020, St George's application for Government co-funding of some of the deep drilling programme at the Cathedrals Belt was approved.

The drilling grant is made by the Western Australian Government under its Exploration Incentive Scheme (EIS) and provides St George with a 50% re-imbusement of direct drilling costs capped at \$150,000.

**Performance rights:**

On 23 July 2020, the Company issued key management personnel (including directors) with certain Performance Rights linked to significant milestones. A total of 125 Performance Rights were issued.

Details of the Performance Rights issued to directors, including the Performance Rights Plan, is contained in the Company's Notice of Meeting dated 15 June 2020. Four classes of Performance Rights were issued with the following milestones:

**Class D Performance Rights:** an announcement by the Company to the Australian Securities Exchange (ASX) is made by 30 June 2021 stating that the Company has made a Decision to Mine at the Mt Alexander Project.

**Class E Performance Rights:** an announcement by the Company to the ASX is made by 30 June 2022 stating that the Company has commenced production at the Mt Alexander Project of Nickel that will be commercially sold under an offtake or sales agreement.

**Class F Performance Rights.** an announcement by the Company to the ASX is made by 30 June 2022 stating that the Company has defined an inferred 2012 JORC compliant resource at the Mt Alexander Project of not less than 100,000 tonnes contained nickel.

**Class G Performance Rights:** drill intersections of economically significant mineralisation at the Company's Paterson Project by 30 June 2022 that the Board believes are indicative of the discovery of an ore deposit.

The directors did not receive any Class G Performance Rights.

## COVID -19

The Company's projects are all located in Western Australia, ensuring that the Company has an attractive regulatory and bio-security environment to effectively progress its exploration programmes and strategies through the COVID-19 pandemic.

St George is managing its operations in compliance with COVID-19 regulations issued by State and Commonwealth authorities. We will continue to proactively manage drilling and other field programmes to protect the health and safety of our team and service providers.



*Photo: (left to right) Dave O'Neill, Charles Wilkinson and John Prineas at Mt Alexander inspecting drill core from MAD152, the discovery hole at Radar.*

**COMPETENT PERSON STATEMENT:**

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves for the Mt Alexander Project is based on information compiled by Mr Dave O'Neill, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr O'Neill is employed by St George Mining Limited to provide technical advice on mineral projects, and he holds performance rights issued by the Company.

Mr O'Neill has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr O'Neill consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

This ASX announcement contains information extracted from the following reports which are available on the Company's website at [www.stgm.com.au](http://www.stgm.com.au):

- 13 August 2019 *High-Grade Nickel-Copper Sulphide Drilling*
- 2 September 2019 *New Discovery of Nickel-Copper Sulphides*
- 12 September 2019 *Thick Nickel-Copper Sulphides Intersected Down-Plunge*
- 4 October 2019 *Deep Drilling Confirms Continuity of Mineralisation*
- 9 October 2019 *Assays Confirm High-Grade Discovery*
- 21 October 2019 *More Extensions of High-Grade Mineralisation*
- 29 October 2019 *More Strong Results at Mt Alexander*
- 8 November 2019 *More Nickel Sulphide Targets at Mt Alexander*
- 12 November 2019 *Thick Intercept in Drilling of Deeper Conductors*
- 20 November 2019 *More Thick Intercepts Down-Plunge of Shallow Deposits*
- 23 December 2019 *Drilling Success Continues at Mt Alexander*
- 28 January 2020 *2020 Begins With More Strong Results*
- 25 February 2020 *More EM Targets Emerge at Mt Alexander*
- 27 February 2020 *St George Launches Exploration at Paterson Province*
- 11 March 2020 *St George Finalises Drill Targets*
- 1 April 2020 *Breakthrough Results at Mt Alexander*
- 8 April 2020 *Strong Results at Paterson Province Hotspot*
- 22 April 2020 *MT Survey Continues to Unlock Mt Alexander*
- 22 May 2020 *St George Starts Major Drilling Campaign*
- 5 June 2020 *St George Steps Up Drilling at Mt Alexander*
- 2 July 2020 *Mt Alexander – Drilling Update*
- 23 July 2020 *Mt Alexander – Drilling Update*
- 13 August 2020 *Mt Alexander – Drilling Update*
- 27 August 2020 *Thick Mineralised Unit Intersected at Investigators*

The Company confirms that it is not aware of any new information or data that materially affects the exploration results included in any original market announcements referred to in this report and that no material change in the results has occurred. 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 announcements.

The Directors of St George Mining Limited submit the annual financial report of St George Mining Limited from 1 July 2019 to 30 June 2020. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

## DIRECTORS

The names and particulars of the directors of the Company during the financial year ended 30 June 2020, and at the date of this report, are as follows. Directors were in office for the entire period unless otherwise stated.

<p><b>John Prineas</b> B.EC LL.B F FIN Appointed Experience</p>	<p><b>Executive Chairman</b> 19 October 2009 John is a founding shareholder and director of St George Mining Limited. His involvement in the mining sector spans over 25 years with experience in commercial, legal and finance roles.</p> <p>Prior to establishing St George Mining, John was Chief Operating Officer and Country Head of Dresdner Bank in Sydney with a focus on project and acquisition finance for resources and infrastructure projects. John has Economics and Law degrees from the University of Sydney and commenced his career as a lawyer in Sydney with Allen, Allen &amp; Hemsley.</p>
<p>Other current listed company directorships Former listed directorships in the last three years</p>	<p>Not applicable. Not applicable.</p>
<p><b>John Dawson</b> B.Com MBA INSEAD Appointed Experience</p>	<p><b>Non-Executive Director</b> 2 January 2019 Mr Dawson has over 30 years' experience in the finance and mining sectors where he occupied very senior roles with global investment banks including Goldman Sachs and Dresdner Kleinwort Wasserstein.</p> <p>At Goldman Sachs, Mr Dawson was a Managing Director of FICC (Fixed Income, Currency and Commodities) for Australia. At Dresdner Kleinwort Wasserstein, Mr Dawson was Global Head of Commodities as well as the Country Head for Australia.</p>
<p>Other current listed company directorships Former listed directorships in the last three years</p>	<p>Not applicable. Not applicable.</p>
<p><b>Sarah Shipway</b> CA, B.Com Appointed Experience</p>	<p><b>Non-Executive Director</b> 11 June 2015 Sarah Shipway was appointed Non-Executive Director on 11 June 2015 and was appointed Company Secretary of St George Mining on 22 March 2012.</p> <p>Ms Shipway is Non-Executive Director/Company Secretary for Beacon Minerals Limited (ASX: BCN) and Company Secretary for Cardinal Resources Limited (ASX/TSX: CDV).</p> <p>Ms Shipway has a Bachelor of Commerce from the Murdoch University and is a member of the Chartered Accountants Australia and New Zealand.</p>
<p>Other current listed company directorships Former listed directorships in the last three years</p>	<p>Beacon Minerals Limited (ASX: BCN) from June 2015. Not applicable.</p>



**COMPANY SECRETARY**

Sarah Shipway was appointed Company Secretary on 22 March 2012. For details relating to Sarah Shipway, please refer to the details on directors above.

**DIRECTORS' INTERESTS**

At the date of this report the Directors held the following interests in St George Mining.

Name	Ordinary Shares	Listed Options	Performance Rights					
			Class A	Class B	Class C	Class D	Class E	Class F
John Prineas	12,588,178	1,021,422	10	10	40	8	8	10
John Dawson	14,895,242	1,459,594	5	5	10	5	5	6
Sarah Shipway	649,479	-	5	5	10	5	5	6

The Directors have no interest, whether directly or indirectly, in a contract or proposed contract with St George Mining Limited during the financial year end.

**PRINCIPAL ACTIVITIES**

The principal activity of the Group is mineral exploration in Australia.

**RESULTS AND REVIEW OF OPERATIONS**

The results of the consolidated entity for the financial year from 1 July 2019 to 30 June 2020 after income tax was a loss of \$8,584,901 (2019: \$9,594,528).

A review of operations of the consolidated entity during the year ended 30 June 2020 is provided in the "Review of the Operations" immediately preceding this Directors' Report.

**LIKELY DEVELOPMENTS**

The Group will continue its mineral exploration and development activities over the next financial year with a focus on the Mt Alexander Project and the Paterson Project. Further commentary on planned activities over the forthcoming year is provided in the "Review of Operations".

The Board will continue to focus on creating value from the Group's existing resource assets, as well as considering new opportunities in the resources sector to complement the Group's current projects.

**SIGNIFICANT CHANGES IN STATE OF AFFAIRS**

There has not been any significant change in the state of affairs of the Group during the financial year, other than as noted in this financial report.

**ENVIRONMENTAL ISSUES**

The Group is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all applicable regulations when carrying out exploration work.

**DIVIDENDS PAID OR RECOMMENDED**

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

**DIRECTORS' MEETINGS**

The following table sets out the number of meetings held during the year ended 30 June 2020 and the number of meetings attended by each director.

	Directors Meetings	
	Eligible to Attend	Attended
J Prineas	9	9
J Dawson	9	9
S Shipway	9	9

**REMUNERATION REPORT – AUDITED**
***Remuneration policy***

The remuneration policy of St George Mining Limited has been designed to align directors' objectives with shareholder and business objectives by providing a fixed remuneration component, which is assessed on an annual basis in line with market rates. The Board of St George Mining Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Company.

The Board's policy for determining the nature and amount of remuneration for Board members is as follows:

- The remuneration policy and setting the terms and conditions for the Executive directors and other senior staff members is developed and approved by the Board based on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Independent advice is obtained when considered necessary to confirm that executive remuneration is in line with market practice and is reasonable within Australian executive reward practices.
- All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation.
- The Group is an exploration entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions within the same industry. Options and performance incentives may be issued particularly as the entity moves from an exploration to a producing entity and key performance indicators such as profit and production and reserves growth can be used as measurements for assessing executive performance.
- The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Executive Directors, in consultation with independent advisors, determine payments to the non-executives and review their remuneration annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting and is currently \$500,000 per annum. Fees for independent non-executive directors are not linked to the performance of the Group. To align Directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

- The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. The method applied to achieve this aim has been the issue of performance rights to directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy was effective in increasing shareholder wealth in the past.

Analysis of the actual figures shows the Company has increased expenditure over the past 5 years, with the shares price remaining consistent over the past 5 years.

- The Company has issued performance-based remuneration to directors and executives of the Company. The measures are specifically tailored to align personal and shareholder interest. The KPI's are reviewed regularly to assess them in relation to the Company's goals and shareholder wealth.

### **Company Performance**

A summary of St George Mining's business performance as measured by a range of financial and other indicators, including disclosure required by the *Corporations Act 2001*, is outline below.

	2020	2019	2018	2017	2016
Total Comprehensive Loss Attributable to Member of the Company	8,584,901	9,594,528	4,384,667	4,289,216	6,142,647
Cash and cash equivalents at year end	8,310,582	3,357,486	5,948,692	4,773,546	1,437,025
Basic Loss Per Share (cents)	2.12	3.21	1.70	1.75	3.77
ASX share price at the end of the year (\$)	0.115	0.110	0.135	0.100	0.135
Increase/(decrease) in share price (%)	5	(18)	35	(26)	29

### **Remuneration Consultants**

No remuneration consultant was engaged in the current financial year.

### **Details of directors and executives**

Directors	Title	Date of Appointment	Date of Retirement
J Prineas	Executive Chairman	19 October 2009	Not Applicable
J Dawson	Non-Executive Director	2 January 2019	Not Applicable
S Shipway	Non-Executive Director	11 June 2015	Not Applicable

The Company does not have any executives that are not Directors.

Executive Directors' remuneration and other terms of employment are reviewed annually by the non-executive director(s) having regard to performance against goals set at the start of the year, relative comparable information and independent expert advice.

Except as detailed in the Director's Report, no director has received or become entitled to receive, during or since the financial year end, a benefit because of a contract made by the Group or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors and shown in the Remuneration Report, prepared in accordance with the Corporations Regulations, or the fixed salary of a full time employee of the Group.

### **Executive Remuneration Tables**

The actual remuneration earned by Executives in FY2020 is set out below. The information is considered relevant as it provides shareholders with a view of the remuneration actually paid to Executives for performance in FY2020. The value of remuneration includes equity grants where the Executive received control of the shares in FY2020 and different from the remuneration disclosures in the below table, which disclosures the value of LTI grants which may or may not vest in future years.

**Executive Actual Remuneration Earned in FY2020**

Name	Salary and Fees <sup>1</sup>	Termination Payment	Short-Term Incentive	LTI Plan Rights	Total Actual Remuneration
	\$	\$	\$	\$	\$
J Prineas	383,249	-	-	-	383,249
J Dawson	68,393	-	-	-	68,393
S Shipway	155,992	-	-	-	155,992

1. Salary and fees comprise base salary, superannuation and leave entitlements. It reflects the total of "salary and fees" and "superannuation" in the statutory remuneration table.

**Remuneration of directors and executives**

Remuneration for the financial year ended 30 June 2020.

	Short-Term Benefits		Post Employment Benefits	Long Term Benefits	Equity Settled Share-Based Payments	Total
	Salary and Fees	Termination Payment	Superannuation	Long Service Leave	Shares/Options	
Directors	\$	\$	\$	\$	\$	\$
<b>J Prineas</b>						
2020	350,000	-	33,249	25,754	124,998	<b>534,001</b>
2019	350,000	-	33,250	44,710	109,374	<b>537,334</b>
<b>J Dawson (i)</b>						
2020	62,460	-	5,933	-	46,100	<b>114,493</b>
2019	31,230	-	2,967	-	-	<b>34,197</b>
<b>S Shipway</b>						
2020	142,459	-	13,533	-	41,666	<b>197,658</b>
2019	142,459	-	13,534	-	36,458	<b>192,451</b>
<b>T Hronsky (ii)</b>						
2020	-	-	-	-	-	-
2019	112,083	134,496	-	-	-	<b>246,579</b>
<b>Total</b>						
<b>2020</b>	<b>554,919</b>	<b>-</b>	<b>52,715</b>	<b>25,754</b>	<b>212,764</b>	<b>846,152</b>
<b>2019</b>	<b>635,772</b>	<b>134,496</b>	<b>49,751</b>	<b>44,710</b>	<b>145,832</b>	<b>1,010,561</b>

(i) Appointed on 2 January 2019.

(ii) Retired on 2 January 2019.

**Employment contracts of directors and executives**

The terms and conditions under which key management personnel and executives are engaged by the Company are formalised in contracts between the Company and those individuals.

The Company has entered into an executive services agreement with Mr John Prineas whereby Mr Prineas receives remuneration of \$350,000 per annum plus statutory superannuation. Mr Prineas or the Company may terminate the agreement by giving 12 months' notice. The executive services agreement has no fixed period and continues until terminated.

The Company has entered into a services agreement with Mr John Dawson, whereby Mr Dawson receives remuneration of \$62,460 per annum plus statutory superannuation. Mr Dawson or the Company may terminate the agreement by giving notice. The services agreement has no fixed period and continues until terminated.



The Company has entered into service agreements with Ms Sarah Shipway whereby Ms Shipway receives remuneration of \$62,460 per annum plus statutory superannuation and \$80,000 plus statutory superannuation for the roles of Non-Executive Director and Company Secretary respectively. Ms Shipway may terminate the agreements by giving 3 months' notice. The services agreements have no fixed period and continue until terminated.

#### INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

In accordance with the constitution, except as may be prohibited by the *Corporations Act 2001*, every Officer or agent of the Company shall be indemnified out of the property of the entity against any liability incurred by him/her in his/her capacity as Officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

#### Shareholdings of key management personnel

Directors	Balance at 1 July 2019	Granted as remuneration	Net other change (i)	Balance at 30 June 2020
J Prineas	12,214,221	-	373,957	12,588,178
J Dawson	14,595,940	-	389,302	14,985,242
S Shipway	500,000	-	149,479	649,479
<b>Total</b>	<b>27,310,161</b>	<b>-</b>	<b>912,738</b>	<b>28,222,899</b>

(i) Acquired under the Company's Share Purchase Plan in May 2020

#### Listed Options, exercisable at \$0.20 on or before 30 September 2020, holdings of key management personnel

Directors	Balance at 1 July 2019	Granted as remuneration	Net other change	Balance at 30 June 2020
J Prineas	1,021,422	-	-	1,021,422
J Dawson	1,459,594	-	-	1,459,594
S Shipway	-	-	-	-
<b>Total</b>	<b>2,481,016</b>	<b>-</b>	<b>-</b>	<b>2,481,016</b>

#### Performance Rights holdings of key management personnel

Directors	Balance at 1 July 2019	Granted as remuneration	Net other change	Balance at 30 June 2020	Unvested	Value of unvested Rights (\$)
J Prineas	60	-	-	60	60	375,000
J Dawson	-	20	-	20	20	135,000
S Shipway	20	-	-	20	20	135,000
<b>Total</b>	<b>80</b>	<b>20</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>645,000</b>

Each performance rights convert to 50,000 fully paid ordinary shares on achievement of certain milestones.

#### Performance Rights Plan

The Group operates a Performance Rights Plan, approved at the Company's Annual General Meeting held 22 November 2017.

During the year ended 30 June 2020 the Company issued 20 performance rights (2019: 172).

Performance rights have been issued to Directors and personnel of the Company and are subject to a number of conditions which can restrict both the vesting and exercise of the rights.

Subsequent to the year end 125 performance rights were issued.

At the date of this report a total of 297 performance rights were on issue.

There were no ordinary shares issued during the financial year from the exercise of the performance rights.

## END OF REMUNERATION REPORT

### SHARE OPTIONS

#### *Unissued shares*

At the date of this report the Company had 24,576,114 listed options on issue. During the financial year ended 30 June 2020, 3,600 options had been converted into fully paid ordinary shares.

At the date of this report the Company had on issue the below unlisted options:

Unlisted Class	Options	Grant Date	Number of Options	Exercise Price \$	Expiry Date
Unlisted Options		01.08.2019	2,500,000	\$0.15	On or before 31 July 2022

During the financial year ended 30 June 2020, and at the date of this report, none of these unlisted options were converted into fully paid ordinary shares.

Option holders do not have any rights to participate in any issues of shares of other interests in the Company or any other entity.

As at the date of this report the Company had 297 performance rights on issue. On meeting of certain hurdles each performance right would convert to 50,000 fully paid ordinary shares.

### PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

### CORPORATE GOVERNANCE STATEMENT

St George Mining is committed to ensuring that its policies and practices reflect a high standard of corporate governance. The Board has adopted a comprehensive framework of Corporate Governance Guidelines.

Throughout the 2020 financial year the Company's governance was consistent with the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The Group's Corporate Governance Statement can be viewed at [www.stgm.com.au](http://www.stgm.com.au).

**EVENTS SUBSEQUENT TO BALANCE DATE**

On 24 July 2020 the Company advised the issue of 600,000 fully paid ordinary shares, the shares were issued as consideration to acquire tenement E26/1041.

On 24 July 2020 the Company advised that 125 performance rights had been issued to directors and employees of the Company.

Except for the above no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

**AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on page 54 of the financial report.

**Non Audit Services**

The Company's auditor, Stantons International, did not provide any non-audit services to the Company during the financial year ended 30 June 2020.

Signed in accordance with a resolution of the directors made pursuant to s 298(2) of the Corporations Act 2001.

On behalf of the directors

**JOHN PRINEAS**

Executive Chairman

**St George Mining Limited**

Dated 10 September 2020

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020**

Australian Dollar (\$)	Note	30 JUNE 2020 \$	30 JUNE 2019 \$
<b>REVENUE</b>			
Interest	3	23,264	37,919
Other income	3	52,500	524,182
		<u>75,764</u>	<u>562,101</u>
<b>EXPENDITURE</b>			
Administration expenses	4	(2,292,263)	(3,009,021)
Exploration expenditure written off	5	(6,313,787)	(6,864,453)
Finance expenses	6	(54,615)	(283,155)
<b>LOSS BEFORE INCOME TAX</b>		<u>(8,584,901)</u>	<u>(9,594,528)</u>
Income Tax	7(a)	-	-
<b>NET LOSS ATTRIBUTABLE TO MEMBERS OF THE COMPANY</b>		<u>(8,584,901)</u>	<u>(9,594,528)</u>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>		<u>(8,584,901)</u>	<u>(9,594,528)</u>
<b>TOTAL COMPREHENSIVE (LOSS) ATTRIBUTABLE TO MEMBERS OF THE COMPANY</b>		<u>(8,584,901)</u>	<u>(9,594,528)</u>
<b>LOSS PER SHARE</b>			
Basic and diluted – cents per share	17	<u>(2.12)</u>	<u>(3.21)</u>

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**

Australian Dollar (\$)	Note	30 JUNE 2020 \$	30 JUNE 2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	18(a)	8,310,582	3,357,486
Trade and other receivables	10(a)	97,150	22,313
Other assets	10(b)	147,056	379,417
<b>TOTAL CURRENT ASSETS</b>		<b>8,554,788</b>	<b>3,759,216</b>
<b>NON CURRENT ASSETS</b>			
Security bond		30,659	1,000
ROU asset	11(a)	117,029	-
Plant and equipment	12	45,320	50,384
<b>TOTAL NON CURRENT ASSETS</b>		<b>193,008</b>	<b>51,384</b>
<b>TOTAL ASSETS</b>		<b>8,747,796</b>	<b>3,810,600</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	1,078,347	3,553,417
Lease Liability	11(b)	67,482	-
Provisions		135,628	117,304
Borrowings	14	-	854,424
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,281,457</b>	<b>4,525,145</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liability	11(b)	56,696	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>56,696</b>	-
<b>TOTAL LIABILITIES</b>		<b>1,338,153</b>	<b>4,525,145</b>
<b>NET ASSETS/ NET (LIABILITIES)</b>		<b>7,409,643</b>	<b>(714,545)</b>
<b>EQUITY</b>			
Issued capital	15(a)	50,695,011	34,366,720
Reserves	15(b)	588,369	476,722
Accumulated losses	16	(43,873,737)	(35,557,987)
<b>TOTAL EQUITY</b>		<b>7,409,643</b>	<b>(714,545)</b>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2020**

Australian (\$)	SHARE CAPITAL \$	ACCUMULATED LOSSES \$	SHARE OPTION RESERVE \$	TOTAL EQUITY \$
<b>BALANCE AT 1 JULY 2019</b>	<b>34,366,720</b>	<b>(35,557,987)</b>	<b>476,722</b>	<b>(714,545)</b>
Loss for the year	-	(8,584,901)	-	(8,584,901)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	(8,584,901)	-	(8,584,901)
Shares/options issued during the year	17,167,946	-	-	17,167,946
Share based payments – employees/directors	-	-	380,548	380,548
Shares based payments	-	-	250	250
Options exercised during the year	-	-	-	-
Expiry of options	-	269,151	(269,151)	-
Share and option issue expenses	(839,655)	-	-	(839,655)
<b>BALANCE AT 30 JUNE 2020</b>	<b>50,695,011</b>	<b>(43,873,737)</b>	<b>588,369</b>	<b>7,409,643</b>
<b>BALANCE AT 1 JULY 2018</b>	<b>30,514,215</b>	<b>(25,963,459)</b>	<b>212,142</b>	<b>4,762,898</b>
Loss for the year	-	(9,594,528)	-	(9,594,528)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	(9,594,528)	-	(9,594,528)
Shares issued during the year	4,091,060	-	-	4,091,060
Share based payments	-	-	264,580	264,580
Options exercised during the year	-	-	-	-
Expiry of options	-	-	-	-
Share and option issue expenses	(238,555)	-	-	(238,555)
<b>BALANCE AT 30 JUNE 2019</b>	<b>34,366,720</b>	<b>(35,557,987)</b>	<b>476,722</b>	<b>(714,545)</b>

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

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2020**

Australian Dollar (\$)	Note	30 JUNE 2020 \$	30 JUNE 2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Expenditure on mining interests		(8,459,553)	(4,796,750)
Payments to suppliers and employees		(2,009,336)	(2,423,385)
Interest received		21,897	40,653
Other – GST		(73,469)	13,576
Government Grants		52,500	524,182
<b>Net cash outflow from operating activities</b>	18(b)	<b><u>(10,467,961)</u></b>	<b><u>(6,641,724)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Bank Deeds		(29,659)	-
Purchase of plant and equipment		(17,021)	(52,074)
<b>Net cash outflow from investing activities</b>		<b><u>(46,680)</u></b>	<b><u>(52,074)</u></b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Issue of shares and options net of capital raising costs		15,570,823	3,160,592
Loan facility received		58,000	942,000
Interest on loan and facilities		(105,454)	-
Lease payments		(55,632)	-
<b>Net cash flows from financing activities</b>		<b><u>15,467,737</u></b>	<b><u>4,102,592</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b><u>4,953,096</u></b>	<b><u>(2,591,206)</u></b>
Cash and cash equivalents at the beginning of the financial year		<u>3,357,486</u>	<u>5,948,692</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	18(a)	<b><u>8,310,582</u></b>	<b><u>3,357,486</u></b>

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

## 1 CORPORATE INFORMATION

The financial report of St George Mining Limited (“St George Mining” or “the Company”) for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the directors on 10 September 2020.

St George Mining Limited is a company limited by shares, incorporated in Australia on 19 October 2009. The consolidated financial statements of the Company for year ended 30 June 2020 comprise of the Company and its subsidiaries together referred to as the Group or consolidated entity.

The nature of the operations and principal activity of the Group is mineral exploration.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) *Statement of compliance*

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (“AIFRS”). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (“IFRS”).

### (b) *Basis of Preparation of the Financial Report*

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars. The following accounting policies have been approved by the consolidated entity, except as noted below.

#### ***Going Concern***

The directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

The Consolidated Entity has recorded a net accounting loss of \$8,584,901 and net operating cash outflows of \$10,467,961 for the year ended 30 June 2020.

The net assets of the consolidated group have increase from net liabilities of \$714,545 at 30 June 2019 to net assets of \$7,409,643 as at 30 June 2020. Total assets and Shareholder’s equity increased in 2020 due to various capital raisings during the period totalling \$17,167,946 (before issue costs) and a decrease in trade and other payables from \$3,553,417 as at 30 June 2019 compared to \$1,078,347 as at 30 June 2020.

At 30 June 2020 the Company held a cash balance of \$8,310,582.

Equity raisings or debt financing arrangements will be required in the future to fund the Company’s activities. The Directors are assessing a number of options in respect of equity and debt financing arrangements, and have reasonable expectations that further funding will be arranged to meet the Company’s objectives. There is no certainty that new funding will be successfully completed to provide adequate working capital for the Company.

The Board is confident that the Group will have sufficient funds to finance its operations in the 2020/2021 year following successful completion of equity raisings or debt financing arrangements.

**(c) Principles of Consolidation**

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent St George Mining Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent 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. A list of the subsidiaries is provided in Note 23.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

**(d) Significant accounting estimates and judgements**

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

**Deferred taxation**

The potential deferred tax asset arising from the tax losses and temporary differences have not been recognised as an asset because recovery of the tax losses is not yet considered probable (refer note 7).

**Exploration costs**

The Group expenses all exploration and evaluation expenditure incurred.

**Subsidiary Loans**

Provision has been made for all unsecured loans with subsidiaries as it is uncertain if and when the loans will be recovered. All inter-company loans have been eliminated on consolidation.

**(e) Revenue**

Under AASB 15 Revenue from contracts with customers, revenue is recognised when a performance obligation is satisfied, being when control of the goods or services underlying the performance obligations is transferred to the customer.

**Interest**

Interest revenue is recognised using the effective interest method.



**Government Grants**

Government grants are accounted for when received.

**(f) Employee benefits**

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated cash outflows to be made to those benefits.

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred.

**(g) Share based payment transactions**

The Company accounts for all equity-settled stock-based payments based on the fair value of the award on grant date. Under the fair value-based method, compensation cost attributable to options granted is measured at fair value at the grant date and amortised over the vesting period. The amount recognised as an expense is adjusted to reflect any changes in the Company's estimate of the shares that will eventually vest and the effect of any non-market vesting conditions.

Share-based payment arrangements in which the Company receives goods or services as consideration are measured at the fair value of the good or service received, unless that fair value cannot be reliably estimated.

**(h) Research & Development Tax Incentives**

Refundable tax incentives are accounted for as a government grant under AASB 120 Accounting for Government Grants and Disclosure of Government Assistance.

**(i) Exploration and evaluation expenditure**

Exploration and evaluation expenditure on areas of interest are expensed as incurred. Costs of acquisition will normally be expensed but will be assessed on a case by case basis and may be capitalised to areas of interest and carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future. Where projects have advanced to the stage that directors have made a decision to mine, they are classified as development properties. When further development expenditure is incurred in respect of a development property, such expenditure is carried forward as part of the cost of that development property only when substantial future economic benefits are established. Otherwise such expenditure is classified as part of the cost of production or written off where production has not commenced.

**(j) Income Tax**

Current income tax refunded/(expensed) charged to profit or loss is tax refundable/(payable). Those amounts recognised are expected to be recovered from/(paid to) the relevant taxation authority.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither that accounting profit nor taxable profit or loss; and,
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all the deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and,
- in respect of deductible temporary differences with investments in subsidiaries, associates and interest in joint ventures, deferred tax assets in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax is reviewed at each balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are not in the income statement.

**(k) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (“ATO”). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Consolidated Statement of Financial Position.

Cash Flows are included in the Consolidated Statement of Cash Flows net of GST. The GST components of cash flows arising from investing and financial activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**(l) Plant and equipment**

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a diminishing value basis over the estimated useful life of the assets as follows:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
<i>Plant and Equipment</i>	
- Year 1	18.75%
- Subsequent Years	37.50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

**(m) Earnings per share**

Basic earnings per share is calculated as net loss attributable to members of the Company, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

**(n) Cash and cash equivalents**

Cash and short-term deposits in the consolidated Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

**(o) Impairment of assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value; less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and it is written down to its recoverable amount.

In assessing the 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. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systemic basis over its remaining useful life.

**(p) Contributed equity**

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

**(q) Investments**

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the consolidated profit or loss.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the profit or loss.

**(r) Financial Instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transactions costs, except for those carried “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

**Financial assets**

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

- The contractual cash flow characteristics of the financial assets; and
- The entities business model for managing the financial asset.

**Financial assets at amortised cost**

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and

- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

*Financial assets at fair value through other comprehensive income (Equity instruments)*

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading.

*Financial assets at fair value through profit or loss (FVPL)*

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

***Financial liabilities***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

***Effective interest rate method***

The effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

**Transaction costs**

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

**Impairment of financial assets**

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**(s) Business combinations**

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.



**(t) Trade Receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the group's impairment policies and the calculation of the loss allowance are provided in note 2(o).

**(u) Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. Trade and other payables are initially measured at fair value and subsequently measured at amortised costs using the effective interest method.

**(v) Adoption of new and revised standards**

The Group has considered the implications of new and amended Accounting Standards which have become applicable for the current financial reporting period. The Group had to change its accounting policies and make adjustments as a result of adopting the following Standard:

- AASB 16: Leases

The impact of the adoption of this Standard and the respective accounting policies is disclosed in Note 11.

**Changes in Accounting Policies**

This note describes the nature and effect of the adoption of AASB 16: Leases on the Group's financial statements and discloses the new accounting policies that have been applied from 1 July 2019, where they are different to those applied in prior periods.

As a result of the changes in Group's accounting policies, prior year financial statements were required to be restated. However, the Group has adopted AASB 16: Leases using modified retrospective approach with the cumulative effect of initially applying AASB 16 recognised as 1 July 2019.

**Leases****The Group as lessee**

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

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

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

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

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

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shorter.

Where a lease transfers ownership of the underlying asset or the costs of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

#### Initial Application of AASB 16: Leases

The Group has adopted AASB 16: Leases retrospectively with the cumulative effect of initially applying AASB 16 recognised as 1 July 2019. In accordance with AASB 16, the comparatives for the 2019 reporting period have not been restated.

The Group has recognised a lease liability and right-of-use asset for all leases (with exception of short-term and low value leases) recognised as operating leases under AASB 117: Leases where the Group is a lessee.

Lease liabilities are measured at the present value of the remaining lease payments. The Group's incremental borrowing rate as at the commencement of the lease was used to discount the lease payments.

The right-of-use assets were measured at their carrying values as if AASB 16 Leases had been applied since the commencement date but discounted using the Group's incremental borrowing rate per lease term. The right-of-use assets have been recognised in the statement of financial position effective from the application date of 1 July 2019.

The following practical expedients have been used by the Group in applying AASB 16 Leases for the first time:

- Leases that have remaining lease term of less than 12 months as at 1 July 2019 have been accounted for in the same way as short-term lease.
- The use of hindsight to determine lease terms or contracts that have options to extend or terminate.

The Group's incremental borrowing rate applied to the lease liabilities was 11.24%.

#### **Other standards not yet applicable**

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

**(w) Comparative information**

Comparative information is amended where appropriate to ensure consistency in presentation with the current year.

**3 REVENUE**

	<b>CONSOLIDATED 30 JUNE 2020 \$</b>	<b>CONSOLIDATED 30 JUNE 2019 \$</b>
Interest income	23,264	37,919
Research and Development Tax Incentive (i)	-	524,182
Government grants	52,500	-
	<u><b>75,764</b></u>	<u><b>562,101</b></u>

(i) During the year ended 30 June 2020 there was no Research and Development rebate in relation to the year ended 30 June 2019 (2019: \$524,182 in relation to the year ended 30 June 2018).

**4 ADMINISTRATION EXPENSES**

Administration expenses include the following expenses:

	<b>CONSOLIDATED 30 JUNE 2020 \$</b>	<b>CONSOLIDATED 30 JUNE 2019 \$</b>
<b>Employee benefit expense</b>		
Wages and salaries	484,268	694,047
Accrued leave	18,323	89,402
Accrued leave paid out	-	-
Employee share based payments	380,547	264,580
Defined contribution superannuation expense	108,717	83,258
	<u><b>991,855</b></u>	<u><b>1,131,287</b></u>
<b>Other administration costs</b>		
Accounting and administration fees	56,757	45,247
Consulting fees	35,556	653,366
Legal fees	17,729	247,574
Publications and subscriptions	123,485	87,072
Presentations and seminars	505,432	148,594
Rental expenses	24,835	41,808
Share registry costs	64,120	47,066
Travel expenses	88,864	335,256
ROU depreciation	51,196	-
Depreciation	22,086	13,034
Other	310,348	258,717
	<u><b>1,300,408</b></u>	<u><b>1,877,734</b></u>
<b>Total administration expenses</b>	<u><b>2,292,263</b></u>	<u><b>3,009,021</b></u>

**5 EXPLORATION EXPENDITURE WRITTEN OFF**

	<b>CONSOLIDATED 30 JUNE 2020</b>	<b>CONSOLIDATED 30 JUNE 2019</b>
	\$	\$
Exploration expenditure written off	6,279,048	6,864,453
Tenement acquisition costs	34,739	-
	<u><b>6,313,787</b></u>	<u><b>6,864,453</b></u>

**6 FINANCE EXPENSES**

	<b>CONSOLIDATED 30 JUNE 2020</b>	<b>CONSOLIDATED 30 JUNE 2019</b>
	\$	\$
Facility fee	-	170,731
Establishment fee	-	50,000
Interest expense	43,052	62,424
Lease interest	11,563	-
	<u><b>54,615</b></u>	<u><b>283,155</b></u>

Refer to Note 14 for details in relation to the facility.

**7 INCOME TAX**

**(a) Prima facie income tax benefit at 27.5% on loss from ordinary activities is reconciled to the income tax provided in the financial statements**

	<b>CONSOLIDATED 30 JUNE 2020</b>	<b>CONSOLIDATED 30 JUNE 2019</b>
	\$	\$
Loss before income tax	<u>(8,584,901)</u>	<u>(9,594,528)</u>
Income tax calculated at 27.5%	(2,360,848)	(2,638,495)
Tax effect of:-		
Sundry – temporary differences	(65,059)	58,351
Section 40-880 deduction	(151,139)	(127,640)
Future income tax benefit not brought to account	2,577,046	2,707,784
<b>Income tax benefit</b>	<u><b>-</b></u>	<u><b>-</b></u>

**(b) Deferred tax assets**

The potential deferred tax asset arising from the tax losses and temporary differences have not been recognised as an asset because recovery of tax losses is not yet probable.

	<b>CONSOLIDATED 30 JUNE 2020</b>	<b>CONSOLIDATED 30 JUNE 2019</b>
	\$	\$
Australian accumulated tax losses (i)	6,498,528	5,046,932
Provisions - net of prepayments	(123,638)	52,902
Section 40-880 deduction	334,589	251,164
<b>Unrecognised deferred tax assets relating to the above temporary differences</b>	<u><b>6,709,479</b></u>	<u><b>5,350,998</b></u>

The benefits will only be obtained if:

- (i) The Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the losses to be realised;
- (ii) The Group continues to comply with the conditions in deductibility imposed by the Law; and
- (iii) No change in tax legislation adversely affect the Group in realising the benefits from the deductions or the losses.

## 8 AUDITOR'S REMUNERATION

	CONSOLIDATED 30 JUNE 2020 \$	CONSOLIDATED 30 JUNE 2019 \$
Auditing and review of the Group's financial statements	46,123	44,195
	<u>46,123</u>	<u>44,195</u>

## 9 KEY MANAGEMENT PERSONNEL

### (a) Details of key management personnel

#### Directors

John Prineas  
John Dawson  
Sarah Shipway

#### Executive

John Prineas – Executive Chairman

### (b) Compensation of key management personnel

	CONSOLIDATED 30 JUNE 2020 \$	CONSOLIDATED 30 JUNE 2019 \$
Salaries and fees	554,919	635,772
Termination payments	-	134,496
Other	-	26,924
Post employment benefits – superannuation	52,715	49,751
Equity settled share based payments	212,764	145,832
Long term benefits – long service leave	25,754	44,710
	<u>846,152</u>	<u>1,037,485</u>

## 10 CURRENT ASSETS

### (a) Trade and Other Receivables

	CONSOLIDATED 30 JUNE 2020 \$	CONSOLIDATED 30 JUNE 2019 \$
Current	97,150	22,313
	<u>97,150</u>	<u>22,313</u>

Other receivables include amounts outstanding for goods and services tax (GST) of \$95,196 (2019: \$21,726) and interest receivable of \$1,954 (2019: \$587).

GST amounts are non-interest bearing and have repayment terms applicable under the relevant government authorities. No trade and other receivables are impaired or past due.

(b) Other Assets

	CONSOLIDATED 30 JUNE 2020	CONSOLIDATED 30 JUNE 2019
	\$	\$
Prepayments	147,056	281,166
Other receivables	-	98,251
	<u>147,056</u>	<u>379,417</u>

11 RIGHT OF USE ASSET AND LEASE LIABILITY

(a) Right of use asset

	CONSOLIDATED 30 JUNE 2020	CONSOLIDATED 30 JUNE 2019
	\$	\$
On initial recognition	168,225	-
Accumulated depreciation	(51,196)	-
<b>Carrying value at the end of the period</b>	<u><u>117,029</u></u>	<u><u>-</u></u>

(b) Lease Liability

	CONSOLIDATED 30 JUNE 2020	CONSOLIDATED 30 JUNE 2019
	\$	\$
<b>Current</b>		
Property lease liability	67,482	-
<b>Non-Current</b>		
Property lease liability	56,696	-
<b>Total lease liabilities</b>	<u><u>124,178</u></u>	<u><u>-</u></u>

**Property leases**

The above right-of-use asset (ROU) and lease liability relate to the office lease and storage lease entered into by the Group. The lease has been accounted in accordance with AASB 16 adopted by the Group on 1 July 2019 under the modified retrospective approach.

The right-of-use asset is measured at the amount equal to the lease liability at initial recognition and then amortised over the life of the lease. The lease liability and ROU asset at initial recognition is \$168,225.

The right-of-use asset is being depreciated over the lease term on a straight-line basis which is approximately 27 and 36 months for the office and storage lease, respectively, in place at 30 June 2020. Depreciation expense of \$51,196 was included in corporate administration expense in the consolidated statement of profit or loss and other comprehensive income.

At initial recognition, the lease liability was measured as the present value of minimum lease payments using the Group's incremental borrowing rate of 11.24%. The incremental borrowing rate was based on the unsecured interest rate that would apply if finance was sought for an amount and time period equivalent to the lease requirements of the Group. Each lease payment is allocated between the liability and interest expense. The interest expense of \$11,584 was included in corporate administration expense in the consolidated statement of profit or loss and other comprehensive income. Lease payments during the year was \$55,632 including interest.

**Option to extend or terminate**

The Group uses hindsight in determining the lease term where the contract contains options to extend or terminate the lease.



**12 PLANT AND EQUIPMENT**

	<b>CONSOLIDATED 30 JUNE 2020</b>	<b>CONSOLIDATED 30 JUNE 2019</b>
	\$	\$
<b>Plant and Equipment</b>		
At Cost	137,836	120,815
Accumulated depreciation	(92,516)	(70,431)
<b>Total plant and equipment</b>	<b>45,320</b>	<b>50,384</b>
<b>Plant and Equipment</b>		
Carrying amount at the beginning of the year	50,384	14,145
Additions	17,022	52,074
Disposals	-	(2,801)
Depreciation expense	(22,086)	(13,034)
<b>Total carrying amount at end of year</b>	<b>45,320</b>	<b>50,384</b>

**13 CURRENT LIABILITIES**

	<b>CONSOLIDATED 30 JUNE 2020</b>	<b>CONSOLIDATED 30 JUNE 2019</b>
	\$	\$
Trade and other payables	1,078,347	3,553,417
	<b>1,078,347</b>	<b>3,553,417</b>

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short-term nature. As at 30 June 2020 \$92,384 (2019: \$2,145,665) was past 30 days due.

**14 BORROWINGS**

	<b>CONSOLIDATED 30 JUNE 2020</b>	<b>CONSOLIDATED 30 JUNE 2019</b>
	\$	\$
<b>Credit Facility</b>		
At the beginning of the year	792,000	942,000
Credit facility drawn down	58,000	-
Repayment of credit facility	(850,000)	(150,000)
	<b>-</b>	<b>792,000</b>
<b>Interest Accrued</b>		
At the beginning of the year	62,424	-
Accrued for the year	43,030	62,424
Repayment during the year	(105,454)	-
	<b>-</b>	<b>62,424</b>
<b>Total Borrowings</b>	<b>-</b>	<b>854,424</b>

Unsecured Credit Facility

On 25 January 2019 the Company entered into a loan facility with an existing shareholder and non-related party of the Company, Mr Paul Lee, pursuant to which the Company was provided a loan facility of \$1,000,000 (Loan Facility). The first draw down of funds under the Loan Facility was made on 14 March 2019.

The Loan Facility was unsecured and had the following key terms:

- loan facility amount of \$1,000,000, which reduced to \$850,000 by the repayment of \$150,000 by the Company on 27 June 2019;
- establishment fee of 5%;
- 12 month repayment term, being 29 January 2020;
- interest rate of 15%;
- 100% of the interest is capitalised and repayable on loan maturity; and
- there were no loan covenants.

The establishment fee and interest were paid by the Company in cash.

On 31 October 2019, the Company issued 5,666,667 Shares at \$0.15 per share to fully repay the amount outstanding under the Loan Facility.

The interest of \$105,454, less \$10,545 withholding tax, was paid in cash.

## 15 ISSUED CAPITAL

Australian Dollar \$	CONSOLIDATED 30 JUNE 2020 \$	CONSOLIDATED 30 JUNE 2019 \$
<b>(a) Issued and paid up capital</b>		
At the beginning of the reporting period	34,366,720	30,514,215
June 2019: 37,191,454 shares issued at \$0.11 per share	-	4,091,060
July 2019: 33,000,000 shares issued at \$0.10 per share	3,300,000	-
October 2019: 44,300,000 shares issued at \$0.15 per share	6,645,000	-
May 2020: 45,277,814 shares issued at \$0.08	3,622,226	-
June 2020: 45,000,000 shares issued at \$0.08	3,600,000	-
Exercise of Options	720	-
Transactions costs arising from issue of shares	(839,655)	(238,555)
<b>At reporting date 502,889,079 (30 June 2019: 335,307,665) fully paid ordinary shares</b>	<b>50,695,011</b>	<b>34,366,720</b>
<b>Movements in Ordinary Shares</b>		
	<b>Number</b>	<b>Number</b>
At the beginning of the reporting period	335,307,665	298,116,211
Shares issued during the year		
June 2019: 37,191,454 shares issued at \$0.11 per share		37,191,454
July 2019: 33,000,000 shares issued at \$0.10 per share	33,000,000	-
October 2019: 44,300,000 shares issued at \$0.15 per share	44,300,000	-
May 2020: 45,277,814 shares issued at \$0.08	45,277,814	-
June 2020: 45,000,000 shares issued at \$0.08	45,000,000	-
Conversion of performance shares	-	-
Options exercised during the year	3,600	-
<b>At reporting date</b>	<b>502,889,079</b>	<b>335,307,665</b>

Movements in Performance Rights	Number	Number
At the beginning of the reporting period	152	-
Changes to Performance Rights issued during the year		
Performance Rights cancelled during the year	-	(20)
Issued during the year (i)	20	172
<b>At reporting date</b>	<b>172</b>	<b>152</b>

(i) The Company issued 20 performance rights (2019: 172) during the year. Please refer to note 19.

**(b) Option Reserve**

Movements in options reserve	CONSOLIDATED 30 JUNE 2020 \$	CONSOLIDATED 30 JUNE 2019 \$
At the beginning of the year	476,722	212,142
Listed Options	-	-
Expiry of options transferred to accumulated losses (i)	(269,151)	-
Option based payments (ii)	250	-
Share based payments expense (iii)	380,548	264,580
Options issue expense	-	-
<b>At reporting date</b>	<b>588,369</b>	<b>476,722</b>

- (i) The Company had on issue 3,500,000 Unlisted Options, on 3 December 2019 the options expired, unexercised.
- (ii) The Company issued 2,500,000 unlisted options as part consideration for services rendered.
- (iii) Performance rights expense (see note 19).

A summary of the outstanding options at 30 June 2020 in the Company is listed below:

Class	Number of Options	Exercise Price	Expiry Date
Listed Options	24,576,114	\$0.20	30 September 2020
Unlisted Options	2,500,000	\$0.15	31 July 2022

**16 ACCUMULATED LOSSES**

	CONSOLIDATED 30 JUNE 2020 \$	CONSOLIDATED 30 JUNE 2019 \$
Accumulated losses at the beginning of the year	(35,557,987)	(25,963,459)
Loss for the year	(8,584,901)	(9,594,528)
Expiry of options transferred from accumulated losses	269,151	-
<b>Accumulated losses at the end of the year</b>	<b>(43,873,737)</b>	<b>(35,557,987)</b>

**17 LOSS PER SHARE**

	CONSOLIDATED 30 JUNE 2020 \$	CONSOLIDATED 30 JUNE 2019 \$
Basic loss per share after income tax attributable to members of the Company (cents per share)	(2.12)	(3.21)
<b>Diluted loss per share (cents per share)</b>	<b>(2.12)</b>	<b>(3.21)</b>

	2020 Number	2019 Number
Weighted average number of shares on issue during the financial year used in the calculation of basic earnings per share	404,418,783	298,523,789
<b>Weighted average number of ordinary shares for diluted earnings per share</b>	<b>404,418,783</b>	<b>298,523,789</b>

**18 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS**

**(a) Reconciliation of cash and cash equivalents**

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash at bank and in hand and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

	CONSOLIDATED 30 JUNE 2020 \$	CONSOLIDATED 30 JUNE 2019 \$
Current – cash at bank	8,310,582	3,357,486
	<b>8,310,582</b>	<b>3,357,486</b>

**(b) Reconciliation of loss after tax to net cash flows from operations**

	CONSOLIDATED 30 JUNE 2020 \$	CONSOLIDATED 30 JUNE 2019 \$
Loss after income tax	(8,584,901)	(9,594,528)
Share based payments	380,547	264,580
Depreciation expense	22,086	13,034
Capitalised loan facility expenses	-	62,424
 (Increase)/decrease in assets		
Trade and other receivables	(74,837)	16,310
Other assets	232,361	41,481
 Increase/(decrease) in liabilities		
Trade and other payables	(2,424,893)	2,465,573
Provisions	(18,324)	89,402
	<b>(10,467,961)</b>	<b>(6,641,724)</b>

**19 SHARE/OPTION BASED PAYMENTS**

- (i) On 21 November 2019 at the Company's Annual General Meeting the Company agreed and Shareholders approved the issue of 20 performance rights to a Director of the Company.

On 3 December 2019, 20 performance rights were issued.

As at 30 June 2020 there was 172 performance rights on issue.

The performance rights had the below milestones attached to them.

- (i) **Class A Performance Rights:** in the event that the Undiluted Market Capitalisation of the Company is equal to or higher than AUD\$100,000,000.00 for a minimum of 10 consecutive trading days, the vesting condition shall be deemed satisfied, subject to the milestone being achieved by that date which is 3 years from the date of issue;
- (ii) **Class B Performance Rights:** in the event that the Undiluted Market Capitalisation of the Company is equal to or higher than AUD\$150,000,000.00 for a minimum of 10 consecutive trading days, the vesting condition shall be deemed satisfied, subject to the milestone being achieved by that date which is 3 years from the date of issue.
- (iii) **Class C Performance Rights:** the Company announces an inferred 2012 JORC compliant resource at any Project of not less than:
  - (A) in regard to a gold resource, 1,000,000 ounces of Au; or
  - (B) in regard to a nickel resource, 50,000t contained Ni; or
  - (C) in regard to a cobalt resource, 10,000t contained Co.,

by the date which is 15 August 2021.

The terms and conditions of the options are detailed in the Notice of General Meeting dated 11 June 2018.

The performance rights issued on 15 August 2018 were ascribed the following value:

Class of Rights	Number of Performance Rights <sup>(1)</sup>	Valuation Date	Market Price of Shares	Exercise Price	Expiry Date	Indicative Value per Option	Total Value (\$)	Expense for the year (\$)
Class A	25	15.08.18	\$0.125	-	31.07.21	\$0.125	156,250	52,082
Class B	25	15.08.18	\$0.125	-	31.07.21	\$0.125	156,250	52,082
Class C	70	15.08.18	\$0.125	-	31.07.21	\$0.125	437,500	145,832
<b>Total</b>	<b>120</b>	-	-	-	-	-	<b>750,000</b>	<b>249,996</b>

1. One performance right converts to 50,000 fully paid ordinary shares on achievement

A probability of 100% has been applied to the milestones occurring.

Of the above performance rights granted, the following were issued to key management personnel:

Key Management Personnel	Grant Date	Number of Performance Rights
J Prineas		
Class A	15.08.18	10
Class B	15.08.18	10
Class C	15.08.18	40
S Shipway		
Class A	15.08.18	5
Class B	15.08.18	5
Class C	15.08.18	10



The performance rights issued on 17 December 2018 were ascribed the following value:

Class of Rights	Number of Performance Rights <sup>(1)</sup>	Valuation Date	Market Price of Shares	Exercise Price	Expiry Date	Indicative Value per Option	Total Value (\$)	Expense for the year (\$)
Class A	8	17.12.18	\$0.135	-	31.07.21	\$0.135	54,000	21,064
Class B	8	17.12.18	\$0.135	-	31.07.21	\$0.135	54,000	21,064
Class C	16	17.12.18	\$0.135	-	31.07.21	\$0.135	108,000	42,324
<b>Total</b>	<b>32</b>	-	-	-	-	-	<b>216,000</b>	<b>84,452</b>

1. One performance right converts to 50,000 fully paid ordinary shares on achievement

Of the above performance rights granted, none were issued to key management personnel.

The performance rights issued on 3 December 2019 were ascribed the following value:

Class of Rights	Number of Performance Rights <sup>(1)</sup>	Valuation Date	Market Price of Shares	Exercise Price	Expiry Date	Indicative Value per Option	Total Value (\$)	Expense for the year (\$)
Class A	5	03.12.19	\$0.135	-	15.08.21	\$0.135	33,750	11,810
Class B	5	03.12.19	\$0.135	-	15.08.21	\$0.135	33,750	11,810
Class C	10	03.12.19	\$0.135	-	15.08.21	\$0.135	67,500	22,480
<b>Total</b>	<b>20</b>	-	-	-	-	-	<b>135,000</b>	<b>46,100</b>

1. Each Performance Right will convert into 50,000 shares.
2. The value of the rights was determined as per the date the rights were issued.

A probability of 100% has been applied to the milestones occurring.

Of the above performance rights granted, the following were issued to key management personnel:

Key Management Personnel	Grant Date	Number of Performance Rights
J Dawson		
Class A	03.12.19	5
Class B	03.12.19	5
Class C	03.12.19	10

A summary of the movements of all the Company options issued as share based payments is as follows:

	Number	Weighted Average Exercise Price \$
<b>Options outstanding as at 30 June 2018</b>	<b>28,079,714</b>	<b>0.206</b>
Granted	-	-
Forfeited	-	-
Exercised	-	-
Expired	-	-
<b>Options outstanding as at 30 June 2019</b>	<b>28,079,714</b>	<b>0.206</b>
Granted	2,500,000	0.15
Forfeited	-	-
Exercised	(3,600)	0.20
Expired	(3,500,000)	0.25
<b>Options outstanding as at 30 June 2020</b>	<b>27,076,114</b>	<b>0.20</b>
Options exercisable as at 30 June 2019	27,076,114	-
Options exercisable as at 30 June 2019	28,079,714	-

The weighted average remaining contractual life of options outstanding at the year-end was 1.18 years (2019: 1.15 years). The weighted average exercise price of outstanding options at the end of the report period was \$0.20 (2019: \$0.206).

**20 COMMITMENTS AND CONTINGENCIES**

**(a) Commitment**

**Mineral exploration commitments**

The Group has the following minimum exploration expenditure requirements in connection with its exploration tenements.

	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
Not later than one year	447,399	954,447
Later than one year but not later than two years	557,523	34,581
	<u><b>1,004,922</b></u>	<u><b>989,028</b></u>

**(b) Contingent liabilities and commitments**

The Group fully owns three subsidiaries, Desert Fox Resources Pty Ltd, Blue Thunder Resources Pty Ltd and Destiny Nickel Pty Ltd, the main activities of which are exploration. The effect of these subsidiaries is to make the St George Mining owned subsidiaries contractually responsible for any transactions undertaken by the subsidiary. The parent entity has provided certain guarantees to third parties whereby certain liabilities of the subsidiary are guaranteed. The Group has not made guarantees to third parties at 30 June 2020.

**21 EVENTS SUBSEQUENT TO BALANCE DATE**

On 24 July 2020 the Company advised the issue of 600,000 fully paid ordinary shares, the shares were issued as consideration to acquire tenement E26/1041.

On 24 July 2020 the Company advised that 125 performance rights had been issued to directors and employees of the Company.

Except for the above no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

22 FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that the financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

2020	Note	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Weighted average interest rate
		\$	\$	\$	\$	%
<b>Financial assets</b>						
Cash and cash equivalents	18(a)	8,250,274	20,000	40,308	8,310,582	0.28%
Trade and other receivables	10(a)	-	-	97,150	97,150	-
Other assets	10(b)	-	-	147,056	147,056	-
Security bond	-	-	29,659	1,000	30,659	-
		<b>8,250,274</b>	<b>49,659</b>	<b>285,514</b>	<b>8,585,447</b>	-
<b>Financial liabilities</b>						
Trade and other payables	13	-	-	1,078,347	1,078,347	-
Lease liability	-	124,178	-	-	124,178	11.24%
		<b>124,178</b>	-	<b>1,078,347</b>	<b>1,202,525</b>	-
<b>2019</b>						
	Note	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Weighted average interest rate
		\$	\$	\$	\$	%
<b>Financial assets</b>						
Cash and cash equivalents	18(a)	3,305,936	20,000	31,550	3,357,486	1.14%
Trade and other receivables	10(a)	-	-	22,313	22,313	-
Other assets	10(b)	-	-	98,251	98,281	-
Security bond	-	-	-	1,000	1,000	-
		<b>3,305,936</b>	<b>20,000</b>	<b>153,114</b>	<b>3,479,080</b>	-
<b>Financial liabilities</b>						
Trade and other payables	13	-	-	3,553,417	3,553,417	-
Borrowings	14	-	854,424	-	854,424	7.50%
		-	<b>854,424</b>	<b>3,553,417</b>	<b>4,407,841</b>	-

Based on the balances at 30 June 2020 a 1% movement in interest rates would increase/decrease the loss for the year before taxation by \$81,758 (2019: \$25,339).

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any allowance for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group.

**(c) Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised costs using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

The contractual maturities of the Group's financial liabilities are as follows:

	30 June 2020 \$	30 June 2019 \$
Within one month:		
Trade and other payables	1,078,347	3,553,417
Borrowings	-	854,424
Lease liability	124,178	-
Later than one month and no later than one year:		
Trade and other payables	-	-
	<b>1,202,525</b>	<b>4,407,841</b>

Contractual maturities of financial liabilities As at 30 June 2020	Less than 6 months	6 – 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/liabilities
<b>Non-derivatives</b>							
Lease liability	35,042	32,327	50,545	-	-	117,917	124,178
<b>Total non-derivatives</b>	<b>35,042</b>	<b>32,327</b>	<b>50,545</b>	<b>-</b>	<b>-</b>	<b>117,917</b>	<b>124,178</b>

**(d) Net Fair Values**

The carrying amount of financial assets and financial liabilities recorded in the financial statements represent their respective net fair value and is determined in accordance with the accounting policies disclosed in note 2 to the financial statements.

**(e) Financial Risk Management**

The Group's financial instruments consist mainly of deposits with recognised banks, investment in term deposits up to 90 days, accounts receivable, accounts payable and borrowings. Liquidity is managed, when sufficient funds are available, by holding sufficient funds in a current account to service current obligations and surplus funds invested in term deposits. The directors analyse interest rate exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The main risks the Group is exposed to through its financial instruments are the depository banking institution itself, holding the funds, and interest rates. The Group's credit risk is minimal as being an exploration Company, it has no significant financial assets other than cash and term deposits.

**(f) Foreign Currency Risk**

The Group is not exposed to any foreign currency risk as at 30 June 2020.

**(g) Market Price Risk**

The Group is not exposed to market price risk as it does not have any investments other than an interest in the subsidiaries.

**23 RELATED PARTIES**

The Group has 100% owned subsidiaries Blue Thunder Resources Pty Ltd, Desert Fox Resources Pty Ltd and Destiny Nickel Pty Ltd. St George Mining is required to make all the financial and operating decisions of these subsidiaries.

Subsidiaries of St George Mining Limited	Country of Incorporation	Percentage Owned %	
		30 June 2020	30 June 2019
Desert Fox Resources Pty Ltd	Australia	100%	100%
Blue Thunder Resources Pty Ltd	Australia	100%	100%
Destiny Nickel Pty Ltd	Australia	100%	100%

At 30 June 2020 balances due from the subsidiaries were:

	30 JUNE 2020	30 JUNE 2019
	\$	\$
Blue Thunder Resources Pty Ltd	17,174,873	12,305,971
Desert Fox Resources Pty Ltd	22,771,465	22,028,224
Destiny Nickel Pty Ltd	-	-
	<u>39,946,338</u>	<u>34,334,195</u>

These amounts comprise of funds provided by the parent company for exploration activities. The amounts were fully provided for as at 30 June 2020.

**24 SEGMENT REPORTING**

For management purposes, the Group is organised into one main operating segment, which involves the exploration of minerals in Australia. All of the Group's activities are interrelated, and discrete financial information is reported to the Board as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment.

The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these financial statements.

**25 JOINT VENTURES**

The Group recognises that joint ventures are a key mechanism for sharing of risk on individual exploration projects. Where appropriate for a particular project, the Group will consider a joint venture with a suitable party in order to share the exploration risk. Those funds otherwise set aside for the project will be employed to advance another project.

There were no joint ventures in place during and at the end of the financial year.



26 PARENT COMPANY DISCLOSURE

(a) Financial Position as at 30 June 2020

Australian Dollar (\$)	30 JUNE 2020	30 JUNE 2019
	\$	\$
<b>Assets</b>		
Current assets	8,470,127	3,620,605
Non-current assets	192,007	50,384
<b>Total assets</b>	<b>8,662,134</b>	<b>3,670,989</b>
<b>Liabilities</b>		
Current liabilities	1,281,456	4,525,141
Non-current liabilities	56,696	-
<b>Total liabilities</b>	<b>1,338,152</b>	<b>4,525,141</b>
<b>Net assets</b>	<b>7,323,982</b>	<b>(854,152)</b>
<b>Equity</b>		
Issued capital	50,695,010	34,366,720
Reserves	588,369	476,722
Accumulated losses	(43,959,395)	(35,697,594)
<b>Total equity</b>	<b>7,323,984</b>	<b>(854,152)</b>

(b) Financial Performance for the year ended 30 June 2020

Australian Dollar \$	30 JUNE 2020	30 JUNE 2019
	\$	\$
Profit (loss) for the year	(8,530,951)	(9,634,376)
Other comprehensive income	-	-
<b>Total comprehensive income (loss)</b>	<b>(8,530,951)</b>	<b>(9,634,376)</b>

During the year \$269,151 was transferred from the Reserves to accumulated losses on expiry of options.

(c) Guarantees entered into by the Parent Entity

Other than as disclosed in Note 20 (b) the parent entity has not provided guarantees to third parties as at 30 June 2020.

In the opinion of the Directors of St George Mining Limited ("the Company")

- (a) The financial statements and the notes and the additional disclosures included in the directors' report designated as audited of the Group are 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 performance for the year ended that date; and
  - (ii) Complying with Accounting Standards and 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.
- (c) The financial statements and notes comply with International Financial Reporting Standards as disclosed in note 2.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2020.

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

On behalf of the Board



John Prineas  
Executive Chairman

Dated: 10 September 2020  
Perth, Western Australia

10 September 2020

Board of Directors  
St George Mining Limited  
Level 1, 115 Cambridge Street  
WEST LEEDERVILLE WA 6007

Dear Directors

**RE: ST GEORGE MINING LIMITED**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of St George Mining Limited.

As Audit Director for the audit of the financial statements of St George Mining Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**



**Martin Michalik**  
Director

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
ST GEORGE MINING LIMITED**

**Report on the Audit of the Financial Report**

***Opinion***

We have audited the financial report of St George Mining Limited ("the Company") and its subsidiaries ("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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

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

***Basis for Opinion***

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**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 year. 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. We have determined the following matters to be the key audit matters to be communicated in our report.

Key Audit Matters	How the matter was addressed in the audit
<p><b>Issued Capital</b> <i>(refer to Note 15(a))</i></p> <p>The Group's Issued Capital amounted to \$50,695,011. During the reporting year, 167,581,414 ordinary shares were issued through placements and shares issued as consideration for services, resulting in an increase in Contributed Equity of \$16,328,291 net of capital raising costs <i>(refer to Note 15(a) to the financial report)</i>.</p> <p>Contributed Equity is a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• the quantum of share capital issued during the year; and</li> <li>• the varied nature of the movements during the year.</li> </ul> <p>We have spent significant audit effort on ensuring the Issue Capital was appropriately accounted for and disclosed.</p>	<p>Inter alia, our audit procedures included the following:</p> <ol style="list-style-type: none"> <li>i. Obtaining an understanding of the underlying transactions;</li> <li>ii. Verifying all issued capital movements to the relevant ASX announcements;</li> <li>iii. Vouching proceeds from capital raisings to bank statements and other relevant supporting documentation;</li> <li>iv. Verifying underlying capital raising costs and ensuring these costs were appropriately recorded;</li> <li>v. Ensuring consideration for services provided are measured in accordance with AASB 2 <i>Share-Based Payments</i> and agreed the related costs to relevant supporting documentation; and</li> <li>vi. Ensuring the requirements of the relevant accounting standards and disclosures achieve fair presentation and reviewing the financial statements to ensure appropriate disclosures are made.</li> </ol>
<p><b>Share based payments - Performance rights</b> <i>(refer to Note 2(g) and Note 19)</i></p> <p>As referred to in Note 19 to the consolidated financial statements, the Company awarded 20 performance rights (each performance right to converts into 50,000 ordinary shares on conversion). The awards vest subject to the achievement of certain vesting conditions. The company also had on issue 152 performance rights granted in prior year which are yet to vest.</p> <p>The Group valued the performance rights based on the share price at grant date and estimated likelihood of performance conditions being achieved over the vesting period for each tranche of awards. The fair value of the performance rights at the grant date was \$135,000, vesting over three years from the date of issue.</p> <p>The Group has performed calculations to record the related share-based payment expense of \$380,547 in the consolidated statement of profit or loss and other comprehensive income.</p> <p>Due to the complex nature of the transaction and estimates used in determining the valuation of the share-based payment arrangement and vesting expense, we consider the Group's calculation of the share-based payment expense to be a key audit matter.</p> <p>In determining the fair value of the awards and related expense, the Group used assumptions in respect of future market and economic conditions as well as estimates of achievement of certain exploration targets.</p>	<p>Inter alia, our audit procedures included the following:</p> <ol style="list-style-type: none"> <li>i. Verifying the inputs and examining the assumptions used in the Group's valuation of performance rights, being the share price of the underlying equity, time to maturity (expected life) and grant date;</li> <li>ii. Challenging management's assumptions in relation to the likelihood of achieving the performance conditions;</li> <li>iii. Assessing the fair value of the calculation through re-performance using appropriate inputs; and</li> <li>iv. Assessing the accuracy of the share-based payments expense and the adequacy of disclosures made by the Group in the financial report.</li> </ol>

### **Other Information**

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

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors for the Financial Report**

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control.

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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We 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.



We 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.

We 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.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. 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, related safeguards.

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

#### **Report on the Remuneration Report**

##### *Opinion on the Remuneration Report*

We have audited the Remuneration Report from pages 18 to 22 included in the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of St George Mining Limited for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

##### *Responsibilities*

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

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
(Trading as Stantons International)  
(An Authorised Audit Company)

*Stantons International Audit & Consulting Pty Ltd*



**Martin Michalik**  
Director

West Perth, Western Australia  
10 September 2020

## 1 Distribution of holders

As at 10 September 2020 the distribution of shareholders was as follows:

### Ordinary shares

Size of holding	Number of holders
1 – 1,000	246
1,001 – 5,000	464
5,001 – 10,000	591
10,001 – 100,000	1,907
100,001 and over	803
<b>Total</b>	<b>4,011</b>

## 2 Voting rights

There are no restrictions to voting rights attached to the ordinary shares. On a show of hands every member present in person will have one vote and upon a poll, every member present or by proxy will have one vote each share held.

## 3 Substantial shareholders

The company has no substantial shareholders who have notified the Company in accordance with Section 671B of the Corporation Act 2001.

## 4 Top 20 shareholders

The names of the 20 largest shareholders on the share register as at 10 September 2020, who hold 20.41% of the ordinary shares of the Company, were as follows;

Shareholder	Number
John Prineas	10,504,501
J P Morgan Nominees Australia Pty Ltd	8,685,796
Impulzive Pty Ltd <Dawson Superannuation A/C>	8,504,641
Citicorp Nominees Pty Limited	7,370,228
Ms Betty Frilingos	6,318,182
Allcap Pty Ltd <S&L Capannolo Family A/C>	6,261,219
HSBC Custody Nominees (Australia) Limited	5,028,489
Mr Paul Sumade Lee	4,770,833
National Nominees Limited	4,700,000
Yarandi Investments Pty Ltd <Griffith Family No 2 A/C>	4,562,686
Mr Christopher Bell + Mrs Jennifer Bell <C & J Bell Super Fund A/C>	4,514,831
Mr David Davidson	4,150,000
Ms Swee Hoong Tan	4,078,600
Northmead Holdings Pty Ltd <The Greenwell Family A/C>	3,500,000
RHB Securities Singapore Pte Ltd <Clients A/C>	3,455,000
Mr Paul Malcolm Koshy	3,403,665
Cheriton Holdings Pty Ltd <Carnicelli Super Fund A/C>	3,374,651
Mrs Karen Dawson	3,294,121
Chaos Investments Pty Limited <Alexandrou Family A/C>	3,200,000
DDH 1 Drilling Pty Ltd	3,106,060

**5 Top 20 listed option holders**

The names of the 20 largest listed option holders on the share register as at 10 September 2020, who hold 38.25% of the ordinary shares of the Company, were as follows;

<b>Shareholder</b>	<b>Number</b>
HSBC Custody Nominees (Australia) Limited	942,249
Mr John Prineas	835,502
Impulzive Pty Ltd <Dawson Superannuation A/C>	835,499
Allcap Pty Ltd (S&L Capannolo Family A/C>	754,914
Mr Christopher Bell + Mrs Jennifer Bell <C&J Bell Superfund A/C>	505,716
Mr Christopher John Girling + Ms Yvette Louise Clark <Moloscyg Superannuation A/C>	497,586
Mr Paul Sumade Lee	477,083
Mr Andrew Michael Inglis	461,353
Oceanic Capital Pty Ltd	420,000
Mr Jeremy James Coleman	414,154
Mr Ross Dix Harvey	386,077
Lipic Pty Ltd	385,892
Mr Ian Whitmore Tyler	360,000
Mr Vinod Kumar Deut	322,000
Mrs Karen Dawson	314,447
Impulzive Pty Ltd <Dawson Super Fund A/C>	309,648
Mr Barry Lipscombe + Mrs Frances Lipscombe <Lipic Exec Benefit Fund A/C>	300,570
Blujak Pty Limited <Blujak Super Fund A/C>	300,000
Mr Rafli Rafli	288,500
Ms Kathryn Silas	288,030

**6 Consistency with business objectives**

The Company has used its cash and assets in a form readily convertible to cash that it had at the time of listing in a way the consistent with its stated objectives.

St George Mining Limited mineral interests as at 10 September 2020

**EAST LAVERTON:**

Tenement ID	Registered Holder	Location	Ownership (%)
E39/0981	Desert Fox Resources Pty Ltd	East Laverton Property	100
E39/0982	Desert Fox Resources Pty Ltd	East Laverton Property	100
E39/0985	Desert Fox Resources Pty Ltd	East Laverton Property	100
E39/1229	Desert Fox Resources Pty Ltd	East Laverton Property	100
E39/1461	Desert Fox Resources Pty Ltd	East Laverton Property	100
E39/1472	Desert Fox Resources Pty Ltd	East Laverton Property	100
E39/1475	Desert Fox Resources Pty Ltd	East Laverton Property	100
E39/1476	Desert Fox Resources Pty Ltd	East Laverton Property	100
E39/1467	Desert Fox Resources Pty Ltd	East Laverton Property	100
E39/1492	Desert Fox Resources Pty Ltd	East Laverton Property	100
E39/1518	Desert Fox Resources Pty Ltd	East Laverton Property	100
E39/1520	Desert Fox Resources Pty Ltd	East Laverton Property	100
E39/1549	Desert Fox Resources Pty Ltd	East Laverton Property	100
E39/1572	Desert Fox Resources Pty Ltd	East Laverton Property	100
E39/1608	Desert Fox Resources Pty Ltd	East Laverton Property	100
E39/1667	Desert Fox Resources Pty Ltd	East Laverton Property	100
E39/1722	Desert Fox Resources Pty Ltd	East Laverton Property	100
E39/2027	Desert Fox Resources Pty Ltd	East Laverton Property	100
E39/2028	Desert Fox Resources Pty Ltd	East Laverton Property	100
E39/2029	Desert Fox Resources Pty Ltd	East Laverton Property	100
E39/2030	Desert Fox Resources Pty Ltd	East Laverton Property	100

**MT ALEXANDER/HAWAII:**

Tenement ID	Registered Holder	Location	Ownership (%)
E29/638	Blue Thunder Resources Pty Ltd	Mt Alexander	75
E29/548	Blue Thunder Resources Pty Ltd	Mt Alexander	100
E29/954	Blue Thunder Resources Pty Ltd	Mt Alexander	100
E29/962	Blue Thunder Resources Pty Ltd	Mt Alexander	100
E29/972	Blue Thunder Resources Pty Ltd	Mt Alexander	100
E29/2041	Blue Thunder Resources Pty Ltd	Mt Alexander	100
E36/741	Blue Thunder Resources Pty Ltd	Hawaii	100

**PATERSON:**

Tenement ID	Registered Holder	Location	Ownership (%)
E45/5226	St George Mining Limited	Paterson	100
E45/5422	St George Mining Limited	Paterson	100

