RAFAELLA resources

Limited
And Controlled Entities

ABN: 49 623 130 987

ANNUAL REPORT

For the Year Ended 30 June 2020

CONTENTS

DIRECTORS

Peter Hatfull	Non-Executive Chairman
Steven Turner	Managing Director
Robert Wrixon	Executive Director
Ashley Hood	Non-Executive Director
Royston Denysschen	Non-Executive Director

SECRETARY
Amanda Wilton-Heald

REGISTERED OFFICE
Level 8
175 Eagle Street
Brisbane QLD 4000

BUSINESS OFFICE
Level 11, London House
216 St Georges Terrace
Perth WA 6000
Telephone: +61 8 9481 0389
Facsimile: +61 8 9463 6103

WEBSITE & EMAIL
www.rafaellaresources.com.au
info@rafaellaresources.com.au

SHARE REGISTRY
Automic Registry Services Pty Ltd
Level 2
267 St Georges Terrace
Perth WA 6000
Telephone: +61 8 9324 2099

AUDITORS
RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
Perth WA 6000

STOCK EXCHANGE LISTING
Australian Securities Exchange
ASX Code: RFR; RFRO

Your Directors submit the financial report of the Group for the year ended 30 June 2019.

DIRECTORS

The names of Directors who held office during or since the end of the year:

Name	Title
Peter Hatfull	Independent Non-Executive Chairman (changed from Independent Non-Executive Director on 27 August 2019)
Graham Durtanovich	Independent Non-Executive Chairman (resigned on 27 August 2019)
Steven Turner	Managing Director (appointed 27 August 2019)
Robert Wrixon	Executive Director (appointed 27 August 2019)
Ashley Hood	Independent Non-Executive Director (changed from Executive Technical Director on 27 August 2019)
Royston Denysschen	Non-Independent Non-Executive Director (appointed 19 May 2020)

PRINCIPAL ACTIVITIES

The principal activity of the Group is exploration for tungsten and tin in Spain and gold, cobalt and copper in Canada.

REVIEW OF RESULTS

The loss after tax for the year ended 30 June 2020 was $2,382,017 (2019: $1,080,737).

The earnings of the Group for the years since incorporation (incorporation date being 29 November 2017) are summarised below:

	30 June 2020 $	30 June 2019 $	30 June 2018 $
Revenue	66,305	57,811	-
EBITDA	(2,358,842)	(1,080,737)	(271,353)
EBIT	(2,379,493)	(1,080,737)	(271,353)
Loss after income tax	(2,382,017)	(1,080,737)	(271,353)

The factors that are considered to affect total shareholders return are summarised below:

	30 June 2020 $	30 June 2019 $	30 June 2018 $
Share price at financial year end	0.074	0.165	N/A

Company Focus and Mission

Rafaella was established to explore and develop high-quality assets worldwide. In FY20 the Company's key focus was on fast-tracking its wholly-owned Santa Comba Project in Spain, targeting cash flows in 2021. Post FY20, the Company looked to expand its portfolio, entering into a conditional agreement to acquire a package of high-grade nickel-copper-PGM sulphide projects in Quebec, Canada.

PROJECTS

Santa Comba Project [Spain]

In July 2019, Rafaella announced the proposed acquisition of the Santa Comba Project, subject to due diligence and shareholder approval. The following month, the acquisition was approved and the Company conducted a placement to support the development of the project.

Located in a historically productive tungsten and tin province and close to deep-water ports, the Santa Comba Project is permitted for underground mining and partially permitted for open pit mining, with a pre-existing JORC (2012) Mineral Resource Estimate in both areas. The recently discovered large, near-surface resource on the property, amenable to open pit mining, remained mostly undrilled. The Project benefits from a 5-year offer of offtake from a leading global German-based consumer, H.C Stark Tungsten GmbH ('HC Stark'). Furthermore, the Company secured the strategic investment of Transamine Trading ('Transamine'), the world's oldest privately held commodity trader based out of Geneva. Transamine also agreed to provide logistical support and offtake for 100% of the tungsten and tin concentrate over a 3-year period, greatly assisting the Company in its early commissioning period. The tungsten offtake is to be structured as a back to back trade through to an end user, such as H.C. Stark. In May the relationship between Rafaella and Transmine was further strengthen when Transamine representative Royston Denysschen joined the Board.

Identified by the UK, Japan, the US and Europe as a critical raw material, tungsten is a specialty metal seeing renewed investment amongst investors. It has significant commercial, industrial and military applications and is seen as having significant demand and pricing upside.

Following the successful capital raising and formal completion of the acquisition, Rafaella moved swiftly to commence a feasibility study, appointing a Feasibility Study Manager and engaging Tomra Sorting GmbH to conduct ore sorting test-work and Grinding Solutions of the UK to undertake metallurgical test work.

In September 2019, Rafaella appointed Geonor Sondeos y Peforaciones, S.L. ('Geonor'), a local drilling contractor to conduct its diamond drilling programme. The Company then also engaged Sondeos y Peforaciones Industriales del Bierzo, S.A ('SPI'), another local contractor to complete a reverse circulation drilling programme. The purpose of the drilling campaign was to better define and upgrade the existing Inferred Resource, such that an updated resource model could be fed in to a mine plan as part of a feasibility study.

The drilling campaign concluded on 5 March, 2020 with 65 holes and 8,825m drilled. An updated Mineral Resource Estimate was released on 30 June, 2020 showing a 103% increase in near surface mineralisation to 10.4m tonnes of ore with 58% of the near surface resource classified as either Measured or Indicated. The underground Inferred Resource remains unchanged at 234kt. Total tungsten trioxide (WO3) contained within the Resource now stands at 18,530t as well as 1,630t of tin (Sn).

The other key activity underway through FY20 has been the feasibility study for an open pit development at Santa Comba. The open pit will support the partial recommissioning of the underground operation that previously operated in the period 1980 to 1985 producing clean concentrate with 66% contained WO3. Initial ore-sorting and metallurgical test work has been positive, and the Company is now in the final stages of completing the process flow sheet. Once the feasibility study in completed, the Company intends to release the findings to the market and raise development capital to fast track the Project construction and commissioning through to first sales in 2021.

McCleery Project [Canada]

The McCleery Project is located within the Yukon Territory, Canada. The Project is approximately 170km southeast of Whitehorse, the territorial capital of the Yukon. Teslin, the nearest town, with a population of 2,000 is approximately 40km southwest of the Project.

Rafaella undertook a number of activities in FY19 that culminated in the obtaining of final modelling results from a Versatile Time Domain Electromagnetic (VTEM) survey of the Project.

In May 2020, Rafaella announced that it was selected to receive government funding from the Yukon Mineral Exploration Program (YMEP) for exploration of McCleery of up to 60% of eligible expenses up to a maximum of $40,000. This funding will be used to support a geochemical mapping programme scheduled for early FY21.

Sandstone Project [Australia]

Following a review of its portfolio, Rafaella announced in May 2020 that it had completed the sale of the Sandstone Project to private gold exploration company Westar Resources. The disposal has allowed the Company to focus its cash resources on fast-tracking the development of the Santa Comba Project and progressing its highly-prospective McCleery Project. The full consideration of Westar's acquisition of Sandstone was met through the issuance of 3,000,000 shares in Westar at the recent fundraising price of $0.05 per share, giving the Company a 5% interest in Westar.

Environmental Regulation

The Company's projects are not subject to direct physical risk arising from climate factors. The Sandstone Project is still at an early exploration stage and was sold during the financial year. The McCleery Project is located in the north of Canada and hence is only accessible during a limited season. Global warming may make the site more accessible over time. The Santa Comba Project is not subject to any direct physical risk from climate factors such as flooding or excessive drought.

The Group is subject to and is compliant with all aspects of environmental regulation of its exploration and mining activities. The Directors are not aware of any environmental law that is not being complied with. The Santa Comba Project currently has a compliant environmental rehabilitation bond in place with the local authorities.

CORPORATE

A notice of a meeting was issued to shareholders on 10 July 2019 to approve the acquisition of Galicia Tin and Tungsten, S.L., the 100% owner of the Santa Comba tungsten and tin mine located in Galicia, northwest Spain as well as the proposed capital raise and Board changes. The shareholder meeting occurred on 9 August 2019, with all resolutions being passed. In August 2019, Rafaella successfully completed a capital raising of $2.6m in connection with the acquisition of the Santa Comba project.

Following the completion of the acquisition, there were several changes to the Rafaella Board. Steven Turner joined the Board as Managing Director and Robert Wrixon as Executive Director. Graham Durtanovich resigned from the Board and Peter Hatfull, existing Non-Executive Director took the role of Non-Executive Chairman.

As part of the acquisition, the Company announced the following:

- The issue of 250,000 fully paid ordinary shares to Graham Durtanovich for his anniversary shares;
- The issue of 500,000 fully paid ordinary shares to Ashley Hood for his anniversary shares;
- The issue of 10,950,000 fully paid ordinary shares as part of the placement (announced on 27 May 2019);
- The issue of 13,125,000 fully paid ordinary shares as part consideration shares for the acquisition of Galicia Tin & Tungsten SL;
- The issue of 2,850,000 fully paid ordinary shares as a success fee;
- The grant of 2,925,000 unlisted $0.20 options expiring 27 August 2022 as a success fee and in connection with the remuneration of Robert Wrixon and a contractor;
- The grant of 10,000,000 listed $0.30 options expiring 31 October 2021 as advisory options;
- The issue of 2,900,000 milestone 1 performance rights to Steven Turner, Robert Wrixon and a contractor; and
- The issue of 2,900,000 milestone 2 performance rights to Steven Turner, Robert Wrixon and a contractor.

Rafaella held its Annual General Meeting on 29 November 2019. At the AGM all resolutions put to the meeting were passed unanimously by a show of hands. Details regarding the resolutions are provided in the ASX Announcement dated 29 November 2019.

In April 2020, Rafaella released an investor presentation outlining its progress at the Santa Comba Project. The new presentation was presented by Mr Turner at the 121 Mining Investment APAC Forum through a series of virtual meetings with prospective investors and again in May 2020 at the 121 Mining Investment EMEA Forum.

In May 2020, Rafaella further bolstered its leadership team via two new appointments. The first appointment was of Royston Denysschen, Director of Transamine's Australian operations. The second appointment was of Oscar Amigo García as Project Manager for the Santa Comba Project.

COVID-19 Impacts

Indirect financial risk has impacted the price of tungsten as the COVID-19 pandemic has led to the temporary closure of various automobile factories in Europe and has also seen a significant decline in the number of onshore oil rigs deployed in North America – both industries that are material end-users of tungsten. Tungsten has been identified as a critical element and a material that will see increased usage in the changing technically driven environment.

COVID-19 has had limited impact on the operations of the Company. Activities at the Santa Comba site were largely concluded by the time of the national lockdown in Spain. For the feasibility study the vast majority of work has been conducted as desk top studies and therefore has seen no adverse impact. Limited metallurgical test work being undertaken in the UK has seen limited disruption. Some personnel movements have been restricted delaying business development initiatives and the relocation of the Managing Director to Spain to oversee the ongoing development of the flagship Santa Comba project has also been delayed by 6 months. No other activities in the Company have been negatively impacted by the coronavirus pandemic.

Asset values, going concern and future funding of the business is not expected to be materially adversely affected by COVID 19. This has been evidenced by the successful private placement conducted by the Company post year-end.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 9 August 2019 shareholders approved the acquisition of Galicia Tin and Tungsten, S.L., the 100% owner of the Santa Comba tungsten and tin mine located in Galicia, northwest Spain, which was completed on 27 August 2019. The acquisition is transformational for Rafaella, moving the Company from an explorer of gold and copper to a developer of the permitted brownfield tungsten and tin Santa Comba mine.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Post year end the Company provisionally agreed the acquisition of the Canadian high grade Ni-Cu exploration assets from Meteoric Resources. The acquisition is subject to due diligence and all necessary shareholder and regulatory approvals.

The Feasibility Study for Santa Comba is well advanced with many of the technical studies complete. It is expected that the findings of the Feasibility Study will be released in early Q2 FY2021. Subject to the results of the Feasibility Study the Company intends to immediately seek development funding for the construction and commissioning the Santa Comba Project.

DIRECTORS' QUALIFICATIONS AND EXPERIENCE

The Directors' qualifications and experience are set out below.

Current Directors

Director	Details
Peter Hatfull	
Qualifications	MAICD
Position	Independent Non-Executive Chairman (changed from Independent Non-Executive Director on 27 August 2019)
Appointment Date	16 May 2018
Resignation Date	N/A
Length of Service	2 years, 4 months
Biography	Peter Hatfull has over 30 years' experience in a range of senior executive positions with Australian and international companies. He has an extensive skill-set in the areas of business optimisation, capital raising and group restructuring. Peter Hatfull has particular experience in revitalising business plans, attracting investor funding, and implementing profitable strategies. He graduated as a Chartered Accountant in the United Kingdom, where he worked for Coopers and Lybrand (now PriceWaterhouseCoopers), and subsequently moved to Africa, where he spent 8 years in Malawi, where he was CFO of the Malawi operation of international trading group, Guthrie Limited. Peter Hatfull moved to Perth in 1988.
Committee Memberships	Member of Board in its capacity as Audit and Risk Committee Member of Board in its capacity as Nomination Committee Member of Board in its capacity as Remuneration Committee
Current ASX Listed Directorships	Esense-Lab Limited Roots Sustainable Agricultural Technologies Limited
Former ASX Listed Directorships	Affinity Energy & Health Limited Aus Asia Minerals Limited
Steven Turner	
Qualifications	BA (Hons) Banking Insurance and Finance, ACA, MAICD
Position	Managing Director
Appointment Date	27 August 2019
Resignation Date	N/A
Length of Service	10 months
Biography	Steven Turner brings over 25 years of experience in the resource sector, having held senior roles in both industry and investment banking. During his career Steven has been based in London, Aberdeen, Singapore, Brisbane and Madrid. Steven has raised significant capital for the development of resource projects, including equity, public bonds and project finance. Most recently Steven was head of business development at a private mining group, having been instrumental in the successful growth of the company from a junior to mid-tier Australian base metal operator. Mr Turner holds

	Australian, Canadian and UK citizenships and is a Fellow of The Chartered Accountants of England and Wales and a Member of the Australian Institute of Company Directors.
Committee Memberships	N/A
Current ASX Listed Directorships	N/A
Former ASX Listed Directorships	None
Robert Wrixon	
Qualifications	BEng (Chem Eng), PhD (Mats Sci & Mineral Eng), GAICD
Position	Executive Director
Appointment Date	27 August 2019
Resignation Date	N/A
Length of Service	10 months
Biography	Robert Wrixon is the currently a Director of the mining venture capital group Starboard Global Limited and has 20 years of experience in corporate strategy, commodities marketing, mining M&A and mineral exploration management. He has previously run two listed resources companies in Australia, and prior to that spent five years in corporate strategy for Xstrata plc based in Sydney and London.
Committee Memberships	N/A
Current ASX Listed Directorships	N/A
Former ASX Listed Directorships	N/A
Ashley Hood	
Qualifications	
Position	Independent Non-Executive Director (changed from Non-Independent Executive Technical Director on 27 August 2019)
Appointment Date	12 December 2017
Resignation Date	N/A
Length of Service	2 years, 7 months
Biography	Ashley Hood has more than 15 years' experience in the mining industry working in mine and exploration operations for junior and large mining companies based in Australia and throughout the Pacific including New Zealand. He has broad senior management experience having held a number of ASX appointed board positions while working on some of Australia's major JORC resources. Mr Hood predominantly specialises in project/people management, native title negotiations, logistics, project diligence/acquisitions and has personally held and managed a number of his own exploration projects.
Committee Memberships	Member of Board in its capacity as Audit and Risk Committee Member of Board in its capacity as Nomination Committee Member of Board in its capacity as Remuneration Committee

Current ASX Listed Directorships	Non-Executive Director of Celsius Resources Limited
Former ASX Listed Directorships	Non-Executive Director of Mount Ridley Mines Limited
Royston Denysschen	
Qualifications	
Position	Non-Independent Non-Executive Director
Appointment Date	19 May 2020
Resignation Date	N/A
Length of Service	1 month
Biography	Royston Denysschen has been active in business development, commerce and logistics globally for over 20 years. He has held Board positions in South African, Botswana, Australian and Canadian businesses. He is currently employed by Transamine Trading where he was Director for Africa for 10 years. He has recently been appointed as Director for Australia where he will oversee their Australian operations and business development.
Committee Memberships	Member of Board in its capacity as Audit and Risk Committee Member of Board in its capacity as Nomination Committee Member of Board in its capacity as Remuneration Committee
Current ASX Listed Directorships	N/A
Former ASX Listed Directorships	N/A

Former Directors

Graham Durtanovich	
Qualifications	BEcon, MBA, GradDip Applied Finance & Investment
Position	Independent Non-Executive Chairman
Appointment Date	15 March 2018
Resignation Date	27 August 2019
Length of Service	1 year, 5 months
Biography	Graham Durtanovich brings extensive financial management experience from a large private enterprise within the construction industry, where he previously held the role of Chief Financial Officer and was responsible for the financial administration, strategic planning, risk analysis and Corporate Governance of the company. In recent times Mr Durtanovich has worked in Corporate Finance with a small boutique company and served as the Chief Financial Officer at WHL Energy Limited and was responsible for the financial administration, strategic planning, risk analysis and Corporate Governance of WHL Energy.
Committee Memberships	Member of Board in its capacity as Audit and Risk Committee Member of Board in its capacity as Nomination Committee Member of Board in its capacity as Remuneration Committee

Current ASX Listed Directorships	Non-Executive Director of Bronson Group Limited
Former ASX Listed Directorships	Non-Executive Director of TV2U Limited Non-Executive Director of JV Global Limited

COMPANY SECRETARY

Company Secretary	Details
Amanda Wilton-Heald	
Qualifications	BCom, CA
Position	Company Secretary
Appointment Date	3 July 2018
Resignation Date	N/A
Biography	Amanda Wilton-Heald is a Chartered Accountant with over 20 years of accounting, auditing (of both listed and non-listed companies) and company secretarial experience in both Australia and the UK. Amanda has been involved in the listing of junior explorer companies on the ASX and has experience in corporate advisory and company secretarial services.

MEETINGS OF DIRECTORS

The number of meetings held during the year and the number of meetings attended by each Director was as follows:

	Board	Board in Capacity of Audit & Risk Committee	Board in Capacity of Nomination Committee	Board in Capacity of Remuneration Committee
Number of Meetings Held	**7**	**2**	**1**	**1**
Number of Meetings Attended:				
Peter Hatfull	7	2	1	1
Graham Durtanovich[1]	2	-	-	-
Steven Turner	5	2	1	1
Robert Wrixon	5	2	1	1
Ashley Hood	6	2	1	-
Royston Denysschen[2]	1	-	-	1

The Group does not have an Audit, Remuneration or Nomination Committee with the full Board carrying out the functions that would otherwise be dealt with by such Committees. All Directors were eligible to attend all Board Meetings held when they were in office.

[1] Resigned 27 August 2019.
[2] Appointed 19 May 2020.

SHARE OPTIONS

As at the date of this report:

No. Options	Exercise Price	Expiry Date	Listed / Unlisted
27,098,036	$0.30	31-Oct-21	Listed
2,500,000	$0.20	19-Jul-22	Unlisted
2,925,000	$0.20	27-Aug-22	Unlisted

SHARES ISSUED AS A RESULT OF THE EXERCISE OF OPTIONS

No shares as a result of the exercise of the options were issued as at the date of this report.

Waiver Securities

As required by the waiver from ASX Listing Rule 7.3.2 granted on 7 August 2019, the Company advises that 15,000,000 fully paid ordinary shares (Milestone 1 shares) and 15,000,000 fully paid ordinary shares (Milestone 2 shares) remain to be issued. The details of these Milestone 1 and Milestone 2 shares were announced to the ASX on 27 May 2019 and 9 August 2019.

DIRECTORS' INTERESTS AND BENEFITS

The movement during the reporting period in the number of options over ordinary shares of the Company held directly, indirectly or beneficially, by each Director or key management personnel, including their personally-related entities is as follows:

Director	No. Options Held at 30 June 2019	Share Based Payments	Exercise of Options	Other Changes	No. Options Held at 30 June 2020	No. Options Held at Date of this Report
Peter Hatfull						
Directly	-	-	-	-	-	-
Indirectly	-	-	-	-	-	-
Graham Durtanovich[3]						
Directly	-	-	-	-	-	-
Indirectly	-	-	-	-	-	-
Steven Turner[4]						
Directly	-	-	-	-	-	-
Indirectly	-	-	-	-	-	-
Robert Wrixon[5]						
Directly	-	750,000	-	-	750,000	750,000
Indirectly	-	-	-	-	-	-
Ashley Hood						
Directly	-	-	-	-	-	-
Indirectly	-	-	-	-	-	-
Royston Denysschen[6]						
Directly	-	-	-	-	-	-
Indirectly	-	-	-	-	-	-
Total	**-**	**750,000**	**-**	**-**	**750,000**	**750,000**

[3] Resigned 27 August 2019.
[4] Appointed 27 August 2019.
[5] Appointed 27 August 2019.
[6] Appointed 19 May 2020.

The movement during the reporting period in the number of performance rights of the Company held directly, indirectly or beneficially, by each Director or key management personnel, including their personally-related entities is as follows:

Director	No. Performance Rights Held at 30 June 2019	Security Based Payments	Conversion of Performance Rights	No. Performance Rights Held at 30 June 2020	No. Performance Rights Held at Date of this Report
Peter Hatfull					
Directly	-	-	-	-	-
Indirectly	-	-	-	-	-
Graham Durtanovich[7]					
Directly	-	-	-	-	-
Indirectly	-	-	-	-	-
Steven Turner[8]					
Directly	-	-	-	-	-
Indirectly	-	4,800,000	-	4,800,000	4,800,000
Robert Wrixon[9]					
Directly	-	500,000	-	500,000	500,000
Indirectly	-	-	-	-	-
Ashley Hood					
Directly	-	-	-	-	-
Indirectly	-	-	-	-	-
Royston Denysschen[10]					
Directly	-	-	-	-	-
Indirectly	-	-	-	-	-
Total	**-**	**5,300,000**	**-**	**5,300,000**	**5,300,000**

Transactions with related parties

During the reporting year, there were the following related party transactions:

- On 27 August 2019 the Company issued the following:
  - 250,000 fully paid ordinary shares to a related party of Graham Durtanovich for his anniversary shares;
  - 500,000 fully paid ordinary shares to a related party of Ashley Hood for his anniversary shares;

[7] Resigned 27 August 2019.
[8] Appointed 27 August 2019.
[9] Appointed 27 August 2019.
[10] Appointed 19 May 2020.

- 1,144,237 fully paid ordinary shares to a related party of Steven Turner as part of the consideration shares for the acquisition of Galicia Tin & Tungsten SL;
- 100,000 fully paid ordinary shares to Robert Wirxon and 1,527,277 fully paid ordinary shares to a related party of Robert Wrixon as part of the consideration shares for the acquisition of Galicia Tin & Tungsten SL;
- 2,850,000 fully paid ordinary shares to EverBlu Capital Pty Ltd and their associates (deemed related to the Company by ASX) as a success fee;
- 750,000 unlisted $0.20 options expiring 27 August 2022 to Robert Wrixon as part of his remuneration;
- 1,425,000 unlisted $0.20 options expiring 27 August 2022 to EverBlu Capital Pty Ltd and their associates (deemed related to the Company by ASX) as a success fee;
- 10,000,000 listed $0.30 options expiring 31 October 2021 to EverBlu Capital Pty Ltd and their associates (deemed related to the Company by ASX) as advisory options;
- 2,400,000 milestone 1 performance rights and 2,400,000 milestone 2 performance rights to a related party of Steven Turner as part of his remuneration; and
- 250,000 milestone 1 performance rights and 250,000 milestone 2 performance rights to a related party of Robert Wrixon as part of his remuneration.

- On 5 March 2020 the Company issued 250,000 fully paid ordinary shares to a related party of Ashley Hood for his anniversary shares.
- On 13 March 2020 the Company issued the following:
  - 780,000 fully paid ordinary shares to EverBlu Capital Pty Ltd and their associates (deemed related to the Company by ASX) as a capital raising fee.
  - 600,000 fully paid ordinary shares to EverBlu Capital Pty Ltd and their associates (deemed related to the Company by ASX) as an advisory mandate fee.
- During the year a total of $103,500 plus GST was paid to EverBlu Capital Pty Ltd (deemed related to the Company by ASX) in relation to corporate advisory fees and research report fees.

REMUNERATION REPORT

Introduction

The Directors present the Remuneration Report for the Group for the year ended 30 June 2020. This Remuneration Report forms part of the Directors' Report in accordance with the requirements of the Corporations Act 2001 and its regulations. For the purposes of this report, Key Management Personnel ("KMP") of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

Remuneration Policy

The remuneration policy of the Group has been designed to align KMP objectives with Shareholders' interests and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board believes that the remuneration policy is appropriate and effective in its ability to attract and retain the best KMP to run and manage the Group, as well as create goal congruence between Directors, Executives and Shareholders.

Executive Directors and Key Management Personnel

The Board's policy for determining the nature and amount of remuneration for Executive Directors and Key Management Personnel of the Group was in place for the year ended 30 June 2020.

There was no performance evaluation performed during the year due to the Group's infancy. The Board has agreed to conduct its first performance review in the next financial year, now that the GTT Acquisition has been in operation.

Non-Executive Directors

The Board's policy is to remunerate Non-Executive Directors based on market practices, duties and accountability. Independent external advice is sought when required. The fees paid to Non-Executive Directors will be reviewed annually. 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 ("AGM"). The maximum aggregate amount of fees payable has been set at $250,000pa.

Use of Remuneration Consultants

To ensure the Remuneration Committee (of which the function is performed by the Board as a whole at this stage) is fully informed when making remuneration decisions, it may seek external remuneration advice. The Board did not engage external remuneration advice in 2020.

Remuneration Report Approval at FY2020 AGM

The remuneration report for the year ended 30 June 2020 will be put to shareholders for approval at the Group's AGM which will be held during November 2020.

Details of Remuneration

Details of remuneration of the Directors and KMP of the Group (as defined by AASB 124 Related Party Disclosures) and specified executives are set out below:

		Fixed				STI	LTI	Total	Proportion of Remuneration		
	Year	Salary fees and leave $	Other Fees $	Super-annuation $	Security Based Payments $	Incentive Payments $	Fair value of Share Options (equity settled) $	$	Fixed %	STI %	LTI %
Non-Executive Directors											
	2020	**67,000**	**-**	**6,365**	**44,000**[11]	**-**	**-**	**117,365**	**100%**	**-**	**-**
Peter Hatfull	2019	39,177	-	3,722	-	-	-	42,899	100%	-	-
Graham	2020	**7,000**	**-**	**665**	**28,750**	**-**	**-**	**36,415**	**100%**	**-**	**-**
Durtanovich[12]	2019	39,177	-	3,722	18,750[13]	-	-	61,649	100%	-	-
James Ellingford[14]	2019	24,000	-	-	-	-	-	24,000	100%	-	-
	2020	**91,667**	**-**	**8,708**	**117,000**	**-**	**-**	**217,375**	**100%**	**-**	**-**
Ashley Hood[15]	2019	99,723	7,803	7,022	35,000[16]	-	-	149,548	100%	-	-
Royston Denysschen[17]	2020	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Terence Clee[18]	2019	22,500	-	-	-	-	-	22,500	100%	-	-
Total Non-Executive Directors	2020	**165,667**	**-**	**15,738**	**189,750**	**-**	**-**	**371,155**	**100%**	**-**	**-**
	2019	224,577	7,803	14,466	53,750	-	-	300,596	100%	-	-
Executive Directors											
Steven	2020	**266,631**	**36,300**	**21,554**	**139,333**	**-**	**-**	**463,818**	**100%**	**-**	**-**
Turner[19]	2019	-	13,500	-	-	-	-	13,500	100%	-	-
Robert	2020	**60,968**	**-**	**-**	**40,764**	**-**	**-**	**101,732**	**100%**	**-**	**-**
Wrixon[20]	2019	-	-	-	-	-	-	-	-	-	-
Total	2020	**327,599**	**36,300**	**21,554**	**180,097**	**-**	**-**	**565,550**	**100%**	**-**	**-**
Executive Directors	2019	-	13,500	-	-	-	-	13,500	100%	-	-

[11] Accrual of 500,000 anniversary shares at $0.088 each, for approval by shareholders at the 2020 Annual General Meeting.
[12] Resigned 27 August 2019.
[13] Accrual of 250,000 anniversary shares at $0.075 each, for approval by shareholders at 9 August 2019 General Meeting.
[14] Resigned 16 May 2018. Director's salaries pertains to services rendered for the financial year ended 30 June 2018, but was recognised during the financial year ended 30 June 2019.
[15] changed from Non-Independent Executive Technical Director on 27 August 2019
[16] Issue of 250,000 anniversary share.s at $0.14 each, as approved by shareholders at the 15 November 2018 Annual General Meeting.
[17] Appointed 19 May 2020.
[18] Resigned 15 March 2018. Director's salaries pertains to services rendered for the financial year ended 30 June 2018, but was recognised during the financial year ended 30 June 2019.
[19] Appointed 27 August 2019.
[20] Appointed 27 August 2019.

Service Agreements

The Group has entered into an executive services agreement with Ashley Hood on the following material terms:

- Position: Executive Technical Director (Held position until 27 August 2019).
- Commencement Date: 12 December 2017.
- Term: Until agreement is validly terminated.
- Notice period: The Group must give 24 months' notice to terminate the agreement other than for cause. The executive must give 6 months' notice to terminate the agreement.
- Salary: $75,000 per annum (plus superannuation), base salary. Effective 21 May 2019, the base salary was increased to $110,000 per annum (plus superannuation). Effective 1 March 2020, the base salary was decreased to $55,000 per annum (plus superannuation).
- Consulting Fees: Ashley Hood is entitled to receive consulting fees of $650 (ex GST) per day for technical services provided to the Group and for which an invoice has been given to the Group for work performed.
- Share Issue: Subject to compliance with the ASX Listing Rules and the Corporations Act, the Group will issue 250,000 fully paid ordinary shares in the Group to Ashley Hood (or his nominee) on each anniversary of the Commencement Date during which Ashley Hood remains employed under the Executive Services Agreement. Subject to compliance with the ASX Listing Rules and the Corporations Act, the Group will also issue a performance based bonus payment of 500,000 fully paid ordinary shares in the Group to Ashley Hood (or his nominee) in the event that the Company completes the GTT Acquisition.
- Expenses: The Group will reimburse Ashley Hood for all reasonable expenses incurred by him in the performance of his duties in connection with the Group.
- Leave: The agreement otherwise contains leave entitlements, termination and confidentiality provisions and general provisions considered standard for an agreement of this nature.

The Group has entered into an executive employment contract with Steven Turner, upon his appointment on 27 August 2019 on the following material terms:

- Commencement Date: 27 August 2019
- Role: Managing Director and Executive Director
- Term: Until terminated in accordance with the terms of the employment agreements
- Base salary: fixed annual salary of €162,000pa (approximately AUD$265,000) increasing to €200,000pa (approximately AUD$327,000pa) upon execution of the development financing
- Performance incentives: a total of 4,800,000 Performance Rights, comprising 2,400,000 Milestone 1 Performance Rights and 2,400,000 Milestone 2 Performance Rights, vesting upon the satisfaction of certain key performance criteria, as detailed in the notice of general meeting dated 9 July 2019 (issued 27 August 2019)
- Bonus: subject to the Board's discretion, the Executive may be paid a bonus up to 50% of the base salary
- Other benefits: the costs of the Executive's relocation to Spain, in connection with his role as Managing Director and Executive Director, shall be met by the Company for the duration of the Term

- Termination:
  - by the Company: three months' notice (or payment in lieu) plus three months' salary and any relocation costs of the Executive; and
  - by the Executive: three months' notice, which the Company may elect to pay out by paying the Executive three months' salary and any relocation costs of the Executive.

The Group has entered into an executive director agreement and a consulting contract with Robert Wrixon, upon his appointment on 27 August 2019 on the following material terms:

- Commencement Date: 27 August 2019
- Role: Executive Director and Consultant
- Term: Until terminated in accordance with the terms of the employment agreements
- Base salary: $24,000pa for directorship role and $48,000pa for consulting services
- Options: 750,000 unlisted $0.20 options expiring 3 years from date of grant, as detailed in the notice of general meeting dated 9 July 2019 (granted 27 August 2019)
- Performance incentives: a total of 500,000 Performance Rights, comprising 250,000 Milestone 1 Performance Rights and 250,000 Milestone 2 Performance Rights, vesting upon the satisfaction of certain key performance criteria, as detailed in the notice of general meeting dated 9 July 2019 (issued 27 August 2019)
- Termination:
  - by the Company: three months' notice (or payment in lieu) plus three months' salary and any relocation costs of the Executive; and
  - by the Executive: three months' notice, which the Company may elect to pay out by paying the Executive three months' salary and any relocation costs of the Executive.

The Group has entered into agreements with its Non-Executive Directors.

Key management personnel have no entitlement to termination payments in the event of removal from misconduct.

Share Based Compensation

Performance based compensation during the year ended 30 June 2020 has been detailed for the Directors within the Remuneration and Service Agreements sections of the Remuneration Report. There were anniversary shares issued to Ashley Hood and Graham Durtanovich and accrued for issue to Peter Hatfull, subject to shareholder approval, duing the year ended 30 June 2020. Refer to the Details of Remuneration above.

The movement during the reporting period in the number of ordinary shares of the Company held directly, indirectly or beneficially, by each Director or key management personnel, including their personally-related entities is as follows:

Director	No. Shares Held at 30 June 2019	Share Based Payments	Exercise of Options	Other Changes	No. Shares Held at 30 June 2020	No. Shares Held at Date of this Report
Peter Hatfull						
Directly	-	-	-	-	-	-
Indirectly	-	-	-	345,000	345,000	345,000
Graham Durtanovich [21]						
Directly	-	-	-	-	-	-
Indirectly	-	250,000[22]	-	(250,000)	-	N/A
Steven Turner[23]						
Directly	-	-	-	1,100,000	1,100,000	1,100,000
Indirectly	-	-	-	1,144,237	1,144,237	1,144,237
Robert Wrixon[24]						
Directly	-	-	-	390,812	390,812	390,812
Indirectly	-	-	-	1,527,277	1,527,277	1,527,277
Ashley Hood						
Directly	-	-	-	-	-	-
Indirectly	250,000	750,000[25]	-	-	1,000,000	1,000,000
Royston Denysschen [26]						
Directly	-	-	-	-	-	-
Indirectly	-	-	-	5,000,000	5,000,000	5,000,000
Total	**250,000**	**1,000,000**	**-**	**9,257,326**	**10,507,326**	**10,507,326**

[21] Resigned 27 August 2019.
[22] Issued on 27 August 2019 as per remuneration terms.
[23] Appointed 27 August 2019.
[24] Appointed 27 August 2019.
[25] Issued on 27 August 2019 and 5 March as per remuneration terms.
[26] Appointed 19 May 2020.

The following table sets out the details of unlisted share option movements during the year ended 30 June 2020:

	Exercise Price	Expiry Date	Balance at 30 June 2019	Grant Date	Granted as Remuneration	Fair Value per Option at Grant Date	Exercised	Expired	Balance at 30 June 2020
Non-Executive Directors									
Peter Hatfull	N/A	N/A	-	N/A	-	-	-	-	-
Graham Durtanovich [27]	N/A	N/A	-	N/A	-	-	-	-	-
Ashley Hood[28]	N/A	N/A	-	N/A	-	-	-	-	-
Royston Denysschen [29]	N/A	N/A	-	N/A	-	-	-	-	-
Total Non-Executive Directors	**N/A**	**N/A**	**-**	**N/A**	**-**	**-**	**-**	**-**	**-**
Executive Directors									
Steven Turner[30]	N/A	N/A	-	N/A	-	-	-	-	-
Robert Wrixon[31]	$0.20	27-Aug-22	-	27-Aug-19	750,000	$94,500[32]	-	-	750,000
Total Executive Directors	**N/A**	**N/A**	**-**	**N/A**	**750,000**	**$94,500**	**-**	**-**	**750,000**
Total	**N/A**	**N/A**	**-**	**N/A**	**750,000**	**$94,500**	**-**	**-**	**750,000**

There were no other Director and KMP transactions.

End of Audited Remuneration Report.

DIVIDENDS

No dividends were paid during the year and no recommendation is made as to payment of dividends.

[27] Resigned 27 August 2019.
[28] changed from Non-Independent Executive Technical Director on 27 August 2019
[29] Appointed 19 May 2020.
[30] Appointed 27 August 2019.
[31] Appointed 27 August 2019.
[32] Recognised over 3 years from the grant date, being the vesting period.

EVENTS SUBSEQUENT TO REPORTING DATE

There are no matters or circumstances have arisen since the end of the year which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial years other than the following:

- On July 1 2020, the Company announced a substantial increase in total mineral resources and the estimation of maiden measured and indicated resources at the Santa Comba Project. The resource update significantly increases the Company's confidence in the Project and underpins the development of the mine plan and feasibility study. The increase in tonnes also allows Rafaella to evaluate enhanced production scenarios.
- The following month, the Company announced that it has entered into a conditional agreement to acquire 100% of the Midrim and Laforce nickel-copper sulphide projects from Meteoric Resources NL (ASX: MEI). The projects are in the highly prospective Belleterre-Angliers Greenstone Belt located in the Province of Quebec, Canada. They are located close to Chase Mining Corporation's (ASX: CML) Alotta Project, which announced massive sulphides and high-grade nickel and copper intersections from its recently completed drilling programme on 29 June 2020. The acquisition is subject to due diligence as well as regulatory and shareholder approvals. It supports the Company's strategic focus on developing near term, low cost base metal operations.
- The Company also completed a placement to raise approximately $1.2m to provide funds to progress further feasibility work at the flagship Santa Comba Project which it is continuing to advance in FY21.

INDEMNITY AND INSURANCE OF OFFICERS

The Company has indemnified the Directors and officers of the Company for costs incurred, in their capacity as a Director or officer, for which they may be held personally liabie, except where there is a lack of good faith. During the financial year, the Company paid a premium in respect of a contract to insure the Directors and officers of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

INDEMNITY AND INSURANCE OF AUDITOR

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor. During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 5 to the financial statements. The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are of the opinion that the services as disclosed in Note 5 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as advocates for the Group or jointly sharing economic risks and rewards.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF RSM AUSTRALIA PARTNERS

There are no officers of the company who are former partners of RSM Australia Partners.

AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration for the year ended 30 June 2020 has been received and is included within the financial statements.

AUDITOR

RSM continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporation Act 2001. Signed in accordance on behalf of the Directors.

_____

Peter Hatfull
Non-Executive Chairman

24 September 2020

The Board of Directors is responsible for the corporate governance of Rafaella Resources Limited (the Group). The Board of Directors have established a corporate governance framework which follows the recommendations as set out in the ASX Corporate Governance Council's Principles and Recommendations 3rd edition ("Principles and Recommendations"). The Group has followed each recommendation where the Board has considered the recommendation to be appropriate benchmark for the Group's corporate governance practices. Where the Group's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where the Group's corporate governance practices do not follow a recommendation, the Board explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Group has adopted instead of those in the recommendation. The Group's corporate governance framework can be viewed on the Group's website: www.rafaellaresources.com.au

Recommendation 1.5

The respective proportions of men and women on the Board, in senior executive positions (including key management personnel) and across the whole organisation:

Details: 2020	Percentage	Number
Board		
Men	100%	5
Women	-%	-
Senior Executive Positions		
Men	67%	2
Women	33%	1
Entire Organisation		
Men	77%	10
Women	23%	3

The Group recognises and respects the value of diversity at all levels of the organisation. The Group recognises that the mining and exploration industry is intrinsically male dominated in many of the operational sectors and the pool of women with appropriate skills will be limited in some instances. The Group recognises that diversity extends to matters of age, disability, ethnicity, marital/family status, religious/cultural background and sexual orientation. Where possible, the Group will seek to identify suitable candidates for positions from a diverse pool.

Recommendation 2.2

The Group has reviewed the skill set of its Board to determine where the skills lie and any relevant gaps in skills shortages. The Group is working towards filling these gaps through engagement of professional advisors where it is deemed necessary.

Recommendation 7.4

The Group has assessed its exposure to economic, environmental and social sustainability risks and has addressed them in the second replacement prospectus dated 1 June 2018 and these remain the same for the current financial year.

RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Rafaella Resources 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.

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 24 September 2020

TUTU PHONG
Partner

RAFAELLA resources

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

	Note	Group 30 June 2020 $	Group 30 June 2019 $
Revenue	3	**66,305**	57,811
Accounting fees		**(91,506)**	(72,448)
Compliance fees		**(163,061)**	(97,221)
Consultancy fees		**(821,875)**	(215,000)
Depreciation	10	**(20,651)**	-
Directors' remuneration		**(389,034)**	(239,043)
Exploration expenditure impairment	11	**(215,454)**	-
Foreign exchange loss		**(7,631)**	(2,465)
Insurance expense		**(40,998)**	(34,940)
Interest expense		**(2,524)**	-
IT expenses		**(7,899)**	(90)
Legal fees		**(88,183)**	(70,439)
Marketing		**(156,485)**	(268,636)
Other expenses		**(83,656)**	(25,682)
Share based payments expense	14	**(232,250)**	(63,750)
Travel expenses		**(127,115)**	(48,834)
Loss before tax		**(2,382,017)**	(1,080,737)
Income tax benefit/(expense)	4	**-**	-
Net loss for the year from operations		**(2,382,017)**	(1,080,737)
Other comprehensive income		**-**	-
Total comprehensive loss for the year		**(2,382,017)**	(1,080,737)
Basic and diluted loss per share (cents)	6	**(3.64)c**	(3.06)c

The accompanying notes form part of these financial statements.

RAFAELLA resources

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	Group 30 June 2020 $	Group 30 June 2019 $
ASSETS			
Current Assets			
Cash and cash equivalents	7	**1,179,723**	3,279,816
Trade and other receivables	8	**249,781**	43,494
Other assets	9	**122,843**	42,449
Total Current Assets		**1,552,347**	3,365,759
Non-Current Assets			
Investments held at fair value through other comprehensive income		**150,000**	-
Plant and equipment	10	**101,874**	-
Exploration and evaluation assets	11	**10,863,511**	915,030
Total Non-Current Assets		**11,115,385**	915,030
Total Assets		**12,667,732**	4,280,789
LIABILITIES			
Current Liabilities			
Trade and other payables	12	**296,886**	230,220
Provisions		**31,931**	5,811
Total Current Liabilities		**328,817**	236,031
Total Liabilities		**328,817**	236,031
Net Assets		**12,338,915**	4,044,758
EQUITY			
Contributed equity	13	**15,110,433**	4,617,297
Reserves	14	**962,589**	779,551
Accumulated losses		**(3,734,107)**	(1,352,090)
Total Equity		**12,338,915**	4,044,758

The accompanying notes form part of these financial statements.

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

Group	Contributed Equity	Foreign Currency Translation Reserve	Options Reserve	Share Based Payments Reserve	Accumulated Losses	Total
	$	$	$	$	$	$
Balance at 1 July 2019	**4,617,297**	**9,875**	**125,980**	**643,696**	**(1,352,090)**	**4,044,758**
Equity issues	10,685,864	-		-	-	10,685,864
Equity issue expenses	(192,728)	-	-	-	-	(192,728)
Foreign exchange on translation of operations	-	(48,579)	-	-	-	(48,579)
Share based payments		-	-	231,617	-	231,617
Loss for the year	-	-	-	-	(2,382,017)	(2,382,017)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	(2,382,017)	(2,382,017)
Balance at 30 June 2020	**15,110,433**	**(38,704)**	**125,980**	**875,313**	**(3,734,107)**	**12,338,915**
Balance at 1 July 2018	**534,268**	**-**	**-**	**-**	**(271,353)**	**262,915**
Equity issues	5,195,000	-	125,980	-	-	5,320,980
Equity issue expenses	(1,111,971)	-	-	-	-	(1,111,971)
Foreign exchange on translation of operations	-	9,875	-	-	-	9,875
Share based payments		-	-	643,696	-	643,696
Loss for the year	-	-	-	-	(1,080,737)	(1,080,737)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	(1,080,737)	(1,080,737)
Balance at 30 June 2019	**4,617,297**	**9,875**	**125,980**	**643,696**	**(1,352,090)**	**4,044,758**

The accompanying notes form part of these financial statements.

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

	Note	Group 30 June 2020 $	Group 30 June 2019 $
Cash flows from operating activities			
Payments to suppliers and employees		**(1,244,321)**	(975,724)
Interest received		**21,395**	55,632
Interest paid		**(2,524)**	-
ATO cashflow boost received		**50,000**	-
Payment for exploration and evaluation		**(3,351,568)**	(652,101)
Net cash used in operating activities	16	**(4,527,018)**	(1,572,193)
Cash flows from investing activities			
Net cash inflow on acquisition of subsidiary	21	**221,493**	-
Payment for plant and equipment		**(25,233)**	-
Net cash from investing activities		**196,260**	-
Cash flows from financing activities			
Proceeds from shares pending allotment		**-**	74,013
Proceeds from equity issues		**2,324,000**	125,980
Payment for costs of equity issues		**(12,129)**	(484,279)
Repayment of borrowings		**(80,880)**	-
Net cash provided/(used in) from financing activities		**2,230,991**	(284,286)
Net decrease in cash held		**(2,099,767)**	(1,856,479)
Cash and cash equivalents at beginning of the year		**3,279,816**	5,135,839
Foreign exchange effect on cash and cash equivalents		**(326)**	456
Cash and cash equivalents at year end	7	**1,179,723**	3,279,816

The accompanying notes form part of these financial statements.

1. *Corporate information*

This annual report covers Rafaella Resources Limited (parent entity) and subsidiaries (the "Group"), a company incorporated in Australia for the year ended 30 June 2020. The presentation currency of the Group is Australian Dollars ("$"). A description of the Group's operations is included in the review and results of operations in the Directors' Report. The Directors' Report is not part of the financial statements. The Group is a for-profit entity and limited by shares incorporated in Australia whose shares are traded under the ASX code "RFR". The financial statements were authorised for issue on 24 September 2020 by the Directors. The Directors have the power to amend and reissue the financial statements. The principal accounting policies adopted in the preparation of the financial statements are set out below.

2. *Accounting policies*

a. Basis of preparation

The general purpose financial statements of the Group have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial report has also been prepared on a historical cost base. It is recommended that the annual financial report be considered together with any public announcements made by the Group up to the issue date of this report, which the Group has made in accordance with its continuous disclosure obligations arising under the *Corporations Act 2001.* The financial statements have been prepared on an accruals basis and is based on historical costs, modified where applicable, by the measurement at fair value of financial assets and financial liabilities.

b. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Rafaella Resources Limited (Company or parent entity) as at 30 June 2020 and the results of all subsidiaries for the year then ended. Rafaella Resources Limited and its subsidiaries together are referred to in these financial statements as the Group. Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

2. *Accounting policies (continued)*

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance. Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

c. Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current. A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets and liabilities are always classified as non-current.

d. Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

e. Provisions

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits.

f. Significant management judgement in applying accounting policies and estimate uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expense is provided below.

2. *Accounting policies (continued)*

i. Exploration and evaluation expenditure

Exploration and evaluation costs have been capitalised and are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Key judgements are applied in considering the costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

ii. Share based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of the options issued are determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

f. New or amended Accounting Standards and Interpretations adopted

In the year ended 30 June 2020, the Group has reviewed all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting year. It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to the Group accounting policies.

g. New accounting standards and interpretations

Reference	Title	Application date of standard
AASB 16	**Leases** This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Group has adopted this standard from 1 July 2019 or whenever it enters into a lease. There has been no impact on the adoption of the standard as the Group does not have any leases.	1 January 2019

h. New accounting standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2020. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Group has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Group may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the Group's financial statements.

	Group 30 June 2020 $	Group 30 June 2019 $

3. *Revenue*

ATO cashflow boost	**50,000**	-
Interest revenue	**19,236**	57,811
Loss on sale of Sandstone project	**(2,931)**	-
	66,305	57,811

Accounting policy

Interest revenue

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Government grants

Government grants are recognised as and when they accrue.

4. *Income tax benefit/(expense)*

A reconciliation between the income tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:

Loss before tax	**(2,382,017)**	(1,080,737)
Statutory income tax rate for the Group at 30% (2019: 30%)	**(714,605)**	(324,221)
Tax effect of amounts which are not deductible /(taxable) in calculating taxable income:		
Accrued expenses	**6,486**	5,043
Other deductible expenses	**(10,861)**	(5,852)
Other non-deductible expenses	**354,918**	30,817
Other non-assessable amounts	**(15,000)**	(653)
Share issue costs	**(40,559)**	(8,895)
Capital acquisition costs	**-**	1,631
Immediate deduction for exploration costs	**(9,606)**	(69,174)
Disposal of exploration project	**80,403**	
Unrecognised tax losses	**348,824**	371,304
Income tax expense	**-**	-

	Group 30 June 2020 $	Group 30 June 2019 $
4. *Income tax benefit/(expense) (continued)*		
Unrecognised deferred tax assets and liabilities		
Deductible temporary differences	**104,647**	131,602
Tax loses	**753,468**	422,108
Exploration and evaluation expenditure	**-**	(69,496)
	858,115	484,214

Accounting policy

Income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets and liabilities are recognised for all taxable temporary differences:

- Except for 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 the 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 can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it 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. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred income tax to be recovered. 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 reporting date. Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

4. *Income tax benefit/(expense) (continued)*

Goods and services and sales tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except:

- Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of the asset or as part of an item of expense; or
- For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

	Group 30 June 2020 $	Group 30 June 2019 $
5. *Auditor's remuneration*		
Audit of the financial statements: RSM Australia Partners	**28,000**	19,500
Tax compliance services: RSM Australia Partners	**9,500**	5,500
	37,500	25,000

	Group 30 June 2020	Group 30 June 2019
6. *Loss per share*		
The following reflects the loss and number of shares used in the calculation of the basic and diluted loss per share.		
Basic and diluted loss per share (cents per share)	**(3.64)c**	(3.06)c
Net loss attributable to ordinary shareholders ($)	**$(2,382,017)**	$(1,080,737)
	Shares	**Shares**
Weighted average number of ordinary shares used in the calculation of basic loss per share	**65,426,825**	35,297,012
Weighted average number of ordinary shares used in the calculation of diluted loss per share	**102,876,022**	44,709,829

6. *Loss per share (continued)*

Accounting policy

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), dividend by the weighted average number of ordinary shares, adjusted for any bonus element. The diluted earnings per share is calculated as net profit or loss attributable to members of the parent dividend by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element. The weighted average number of shares was based on the consolidated weighted average number of shares in the reporting year. The net profit or loss attributable to members of the parent is adjusted for:

- Costs of servicing equity (other than dividends) and preference share dividends;
- The after-tax effect if dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenue or expenses during the year that would result from the dilution of potential ordinary shares.

	Group 30 June 2020 $	Group 30 June 2019 $

7. *Cash and cash equivalents*

Cash at bank	**1,003,867**	1,272,254
Term deposits	**175,856**	2,007,562
	1,179,723	3,279,816

Accounting policy

Cash and cash equivalents include cash on hand and in the bank, and other short-term deposits. Bank overdrafts are shown separately in current liabilities on the Statement of Financial Position. For the purposes of the Statement of Cash Flows, cash and cash equivalents as defined above, net of outstanding bank overdrafts.

	Group 30 June 2020 $	Group 30 June 2019 $

8. *Trade and other receivables (current)*

Accrued interest revenue	**20**	2,178
Tax refunds	**249,761**	41,316
	249,781	43,494

Accounting policy

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses. This category generally applies to trade and other receivables. Trade and other receivables are generally due for settlement within no more than 30 days from the date of recognition. Due to their current nature, the carrying amount of trade and other receivables approximates fair value. There is no allowance for expected credit losses regognised for the year ended 30 June 2020 (2019: Nil).

9. *Other assets*

Prepaid expenses	**122,843**	42,449
	122,843	42,449

10. *Plant and equipment*

Opening written down value at beginning of year	**-**	-
Acquired upon acquisition of Galicia Tin & Tungsten SL	**93,156**	-
Additions	**25,233**	-
Foreign exchange transalation	**4,136**	-
Depreciation	**(20,651)**	-
Closing written down value at beginning of year	**101,874**	-

Accounting policy

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives, being 2.5 years. The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

	Group 30 June 2020 $	Group 30 June 2019 $
11. *Exploration and evaluation assets*		
Balance at beginning of year	**915,030**	77,005
Exploration expenditure acquired – fair value of exploration expenditure acquired from the acquisition of Overland Resources (BC) Ltd	**-**	108,294
Exploration expenditure acquired – fair value of exploration expenditure acquired from the acquisition of the Sandstone project from Topdrill Pty Ltd	**-**	60,000
Exploration expenditure acquired – fair value of exploration expenditure acquired from the acquisition of Galicia Tin & Tungsten SL (refer to Note 21)	**7,140,699**	-
Exploration and evaluation expenditure incurred during the year	**3,023,236**	669,731
Impairment of Sandstone project	**(215,454)**	
Balance at end of year	**10,863,511**	915,030

Accounting policy

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Directly attributed exploration and evaluation costs are capitalised to exploration and evaluation assets. A regular review for impairment is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

12. *Trade and other payables*		
Accrued expenses	**88,083**	63,654
Director payables	**24,669**	4,559
Trade creditors	**184,134**	162,007
	296,886	230,220

Accounting policy

Trade and other payables amounts represent liabilities for goods and services provided to the entity prior to the end of the year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of invoice.

	Group 30 June 2020 No.	$	Group 30 June 2019 No.	$
13. *Contributed equity*				
Balance at beginning of year	**38,043,751**	**4,617,297**	11,993,751	534,268
Share issue: 19 July 2018	**-**	**-**	500,000	100,000
Share issue: 19 July 2018	**-**	**-**	300,000	60,000
Share issue: 19 July 2018	**-**	**-**	25,000,000	5,000,000
Share issue: 12 December 2018	**-**	**-**	250,000	35,000
Share issue: 27 August 2019	**27,675,000**	**5,527,500**	-	-
Share issue: 3 October 2019	**331,820**	**66,364**	-	-
Share issue: 14 October 2019	**4,375,000**	**875,000**	-	-
Contingent consideration for acquisition of GTT		**3,815,000**	-	-
Share issue: 5 March 2020	**250,000**	**22,000**	-	-
Share issue: 13 March 2020	**1,900,000**	**380,000**	-	-
Share issue costs	**-**	**(192,728)**	-	(1,111,971)
Balance at end of year	**72,575,571**	**15,110,433**	38,043,751	4,617,297

Ordinary shares

Ordinary shares have no par value and have the right to receive dividends as declared and, in the event of the winding up of the Group, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on the shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Group. Share capital represents the nominal value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Capital management

Management controlled the capital of the Group in order to maintain a capital structure that ensured the lowest cost of capital available to the Group. Management's objective is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital. Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment.

	Group 30 June 2020 $	Group 30 June 2019 $
14. *Reserves*		
Foreign currency translation reserve		
Balance at beginning of year	**9,875**	-
Foreign exchange on translation of operations	**(48,579)**	9,875
Balance at end of year	**(38,704)**	9,875
Options reserve		
Balance at beginning of year	**125,980**	-
Options issued (entitlements)	**-**	125,980
Balance at end of year	**125,980**	125,980
Share based payments reserve		
Balance at beginning of year	**643,696**	-
Options granted[33]	**52,500**	643,696
Grant of performance rights	**179,117**	-
Balance at end of year	**875,313**	643,696

[33]Variables used to calculate the option valuations are are as follows:

Inputs	Broker Options	Broker Options	Director & Employee Options
Number of options	10,000,000	1,425,000	1,500,000
Exercise price	$0.3000	$0.2000	$0.2000
Expiry date	31 October 2021	27 August 2022	27 August 2022
Grant date	27 August 2019	27 August 2019	27 August 2019
Share price at grant date	$0.1900	$0.1900	$0.1900
Risk free interest rate	2.20%	2.13%	0.66%
Volatility	100%	100%	112%
Option value	$0.0010	$0.0825	$0.1260

	Group 30 June 2020 No.	Group 30 June 2019 No.
14. *Reserves (continued)*		
Unlisted options		
Balance at beginning of year	**4,825,000**	2,325,000
Options granted	**2,925,000**	2,500,000
Options expired	**(2,325,000)**	-
Balance at end of year	**5,425,000**	4,825,000
Listed options		
Balance at beginning of period	**17,098,036**	-
Options granted	**10,000,000**	4,500,000
Options issued (entitlements)	**-**	12,598,036
Balance at end of period	**27,098,036**	17,098,036

Accounting policy

Each entity within the Group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates, being Australian dollars. In translating the financial statements of such an entity for incorporation in the combined financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

15. *Operating segments*

The Group has determined operating segments based on the information provided to the Board of Directors. The Group operates predominantly in one business segment being the exploration for minerals in three geographic segments, being Australia, Canada and Spain.

	Australia	Canada	Spain	Corporate	Total
2020					
Segment revenue	(2,931)	-	-	69,236	**66,305**
Segment loss	(219,683)	(22,892)	(2,672,531)	533,089	**(2,382,017)**
Segment assets	29	472,054	11,052,893	1,142,756	**12,667,732**
Segment liabilities	-	-	(107,040)	(221,777)	**(328,817)**
2019					
Segment revenue	-	-	-	57,811	**57,811**
Segment loss	(2,107)	(14,234)	-	(1,064,396)	**(1,080,737)**
Segment assets	340,291	478,722	-	3,461,776	**4,280,789**
Segment liabilities	(352)	(1,086)	-	(234,593)	**(236,031)**

Accounting policy

Operating segments are identified based on the internal reports that are regularly reviewed by the Board of Director's, the Chief Operation Decision Maker, for the purpose of allocating resources and assessing performance. The adoption of this "management approach" has resulted in the identification of reportable segments.

16. *Reconciliation of cashflows from operating activities*

	Group 30 June 2020 $	Group 30 June 2019 $
Loss before tax	**(2,382,017)**	(1,080,737)
Consultancy fees	**580,688**	-
Depreciation	**20,651**	-
Exploration impairment	**215,454**	-
Share based payments	**232,250**	35,000
Forex reserve	**(38,704)**	9,875
Change in trade & other receivables	**(206,287)**	(38,356)
Change in other assets	**(80,394)**	(24,668)
Change in exploration expenditure	**(2,961,445)**	(651,394)
Change in trade & other payables	**66,666**	183,898
Change in provisions	**26,120**	(5,811)
Net cash used in operating activities	**(4,527,018)**	(1,572,193)

17. *Events after the end of the reporting year*

There are no matters or circumstances have arisen since the end of the year which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial years other than the following:

- On July 1 2020, the Company announced a substantial increase in total mineral resources and the estimation of maiden measured and indicated resources at the Santa Comba Project. The resource update significantly increases the Company's confidence in the Project and underpins the development of the mine plan and feasibility study. The increase in tonnes also allows Rafaella to evaluate enhanced production scenarios.
- The following month, the Company announced that it has entered into a conditional agreement to acquire 100% of the Midrim and Laforce nickel-copper sulphide projects from Meteoric Resources NL (ASX: MEI). The projects are in the highly prospective Belleterre-Angliers Greenstone Belt located in the Province of Quebec, Canada. They are located close to Chase Mining Corporation's (ASX: CML) Alotta Project, which announced massive sulphides and high-grade nickel and copper intersections from its recently completed drilling programme on 29 June 2020. The acquisition is subject to due diligence as well as regulatory and shareholder approvals. It supports the Company's strategic focus on developing near term, low cost base metal operations.
- The Company also completed a placement to raise approximately $1.2m to provide funds to progress further feasibility work at the flagship Santa Comba Project which it is continuing to advance in FY21.

18. *Related party transactions*

a. KMP compensation

	Group 30 June 2020 $	**Company 30 June 2019 $**
Short-term employee benefits	**899,413**	299,630
Post-employment benefits	**37,292**	14,466
Total	**936,705**	314,096

Detailed remuneration disclosures are provided in the remuneration report included in the Directors' Report.

18. *Related party transactions (continued)*

b. Transactions with related parties

During the reporting year, there were the following related party transactions:

- On 27 August 2019 the Company issued the following:
  - 250,000 fully paid ordinary shares to a related party of Graham Durtanovich for his anniversary shares;
  - 500,000 fully paid ordinary shares to a related party of Ashley Hood for his anniversary shares;
  - 1,144,237 fully paid ordinary shares to a related party of Steven Turner as part of the consideration shares for the acquisition of Galicia Tin & Tungsten SL;
  - 100,000 fully paid ordinary shares to Robert Wirxon and 1,527,277 fully paid ordinary shares to a related party of Robert Wrixon as part of the consideration shares for the acquisition of Galicia Tin & Tungsten SL;
  - 2,850,000 fully paid ordinary shares to EverBlu Capital Pty Ltd and their associates (deemed related to the Company by ASX) as a success fee;
  - 750,000 unlisted $0.20 options expiring 27 August 2022 to Robert Wrixon as part of his remuneration;
  - 1,425,000 unlisted $0.20 options expiring 27 August 2022 to EverBlu Capital Pty Ltd and their associates (deemed related to the Company by ASX) as a success fee;
  - 10,000,000 listed $0.30 options expiring 31 October 2021 to EverBlu Capital Pty Ltd and their associates (deemed related to the Company by ASX) as advisory options;
  - 2,400,000 milestone 1 performance rights and 2,400,000 milestone 2 performance rights to a related party of Steven Turner as part of his remuneration; and
  - 250,000 milestone 1 performance rights and 250,000 milestone 2 performance rights to a related party of Robert Wrixon as part of his remuneration.
- On 5 March 2020 the Company issued 250,000 fully paid ordinary shares to a related party of Ashley Hood for his anniversary shares.
- On 13 March 2020 the Company issued the following:
  - 780,000 fully paid ordinary shares to EverBlu Capital Pty Ltd and their associates (deemed related to the Company by ASX) as a capital raising fee.
  - 600,000 fully paid ordinary shares to EverBlu Capital Pty Ltd and their associates (deemed related to the Company by ASX) as an advisory mandate fee.
- During the year a total of $103,500 plus GST was paid to EverBlu Capital Pty Ltd (deemed related to the Company by ASX) in relation to corporate advisory fees and research report fees.

c. Outstanding balances arising from sales/purchases of goods and services

There are no outstanding balances arising from sales/purchases of goods and services at the end of the reporting year.

18. *Related party transactions (continued)*

d. Loan to Directors and their related parties
No loans have been made to any Director or any of their related parties, during the reporting year.

19. *Financial risk management*

The Group's overall financial risk management strategy is to ensure that the Group is able to fund its business operations and expansion plans. Exposure to credit risk, liquidity risk, foreign currency risk, interest rate risk and commodity price risk arises in the normal course of the Group's business. The Group's risk management strategy is set by and performed in the close co-operation with the Board and focuses on actively securing the Group's short to medium-term cash flows by regular review of its working capital and minimising the exposure to financial markets. The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

Financial assets and liabilities
The financial assets and liabilities as at 30 June 2020 are reflected at cost, fair valued through the statement of comprehensive income. The Directors consider that the carrying amounts of the financial assets and liabilities approximate their fair values.

Specific financial risk exposures and management
The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk, including in interest rates, foreign currency, commodity and equity prices.

a) Credit risk
Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents. Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contractual obligations that could lead to a financial loss to the Group. Credit risk is managed through the maintenance of credit assessment and monitoring procedures.

b) Liquidity risk
Liquidity risk is the risk that there will be inadequate funds available to meet financial commitments as they fall due. The Group recognises the on-going requirements to have committed funds in place to cover both existing business cash flows and provide reasonable headroom for capital expenditure programs.

The key funding objective is to ensure the availability of flexible and competitively priced funding from alternative sources to meet the Group's current and future requirements. The Group utilises a detailed cash flow model to manage its liquidity risk. This analysis shows that available sources of funds are expected to be sufficient over the lookout period. The Group attempts to accurately project the sources and uses of funds which provide an effective framework for decision making and budgeting. The table below summarises the maturity profile of the Group's contractual cash flow financial liabilities based on contractual undiscounted repayment obligations. Repayments, which are subject to notice, are treated as if notice were to be given immediately.

19. *Financial risk management (continued)*

c) Foreign currency risk

The following table illustrates the estimated sensitivity to a 1% increase and decrease to exchange rate movements:

Impact on pre-tax profit/(loss)	$
30 June 2020	
AUD to EUR rate + 10%	**8,547**
AUD to EUR rate – 10%	**(8,547)**
AUD to CAD rate + 10%	**12**
AUD to CAD rate – 10%	**(12)**
30 June 2019	
AUD to CAD rate + 10%	921
AUD to CAD rate – 10%	(921)

d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group is not exposed to interest rate movement through borrowings as there are no borrowings. The following table sets out the variable interest bearing and fixed interest bearing financial instruments of the Group:

	Variable interest $	Fixed interest $
30 June 2020		
Financial assets		
Cash and cash equivalents	5,000	-
Total	**5,000**	**-**
30 June 2019		
Financial assets		
Cash and cash equivalents	2,007,562	1,272,254
Total	**2,007,562**	**1,272,254**

The following table illustrates the estimated sensitivity to a 1% increase and decrease to interest rate movements.

Impact on pre-tax profit/(loss)	$
30 June 2020	
Interest rates + 1%	**(31,546)**
Interest rates – 1%	**31,546**
30 June 2019	
Interest rates + 1%	(201)
Interest rates – 1%	201

19. *Financial risk management (continued)*

Accounting policy

Recognition and derecognition of financial instruments:
A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets:
Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) 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. Typically trade and other receivables, bank and cash balances are classified in this category. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date. Financial asset that is an equity investment classified as measured at fair value through other comprehensive income (FVTOCI): There was one financial assets classified in this category at reporting year end date. Financial asset classified as measured at fair value through profit or loss (FVTPL): There were no financial assets classified in this category at reporting year end date.

Classification and measurement of financial liabilities:
Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

	Group 30 June 2020 $	Group 30 June 2019 $
20. *Commitments and contingencies*		
a. Commitments relating to operating and exploration expenditures		
Not longer than 1 year	**155,032**	299,161
More than 1 year but not longer than 5 years	**379,238**	195,801
More than 5 years	**2,489,770**	-
	3,024,040	494,962

There are no other material commitments as at 30 June 2020.

b. Contingent assets

There are no contingent assets as at 30 June 2020.

c. Contingent liabilities

Contingent liabilities as at 30 June 2020 consist of the issue of 250,000 fully paid ordinary shares each in the Company to the Directors, Peter Hatfull and Ashley Hood, on each anniversary of the director's commencement date during which the Director remains employed under their Executive Services Agreement.

21. *Acquisition of controlled entities – business combination*

On 27 August 2019, Rafaella Resources Limited acquired the rights to operate the underlying business of Galicia Tin & Tungsten SL ("GTT") for a consideration of 17,500,000 in shares with a contingent consideration of 30,000,000 in share payable upon achieving certain milestones. Details of the acquisition are as follows:

	Fair value
	$
Cash and cash equivalents	221,493
Other assets	8,020
Plant and equipment	93,156
Exploration and evaluation asset	7,140,699
Trade and other payables	(65,619)
Loans	(82,749)
Acquisition-date fair value of the total consideration transferred	7,315,000
Representing:	
Shares paid or payable to vendor	7,315,000
Total consideration transferred	7,315,000

The fair value of GTT's assets and liabilities have been measured provisionally. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the amounts above, the accounting for the acquisition will be revised. The contingent consideration relating to the acquisition is as follows:

- 15,000,000 ordinary shares on the Company announcing a JORC compliant resource at any of the tenements in relation to the GTT Project (Milestone 1); and
- 15,000,000 ordinary shares on the completion of a pre-feasibility study for the development of the GTT Project, and the grant of a loan or any other project financing package that allows the Project to progress to construction (Milestone 2).

21. *Acquisition of controlled entities – business combination (continued)*

Accounting policy

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired. The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss. On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date. Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss. Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill.

If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer. Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

22. *Interests in controlled entities*

Company Name	Place of Incorporation	30 June 2020 % Ownership	30 June 2019 % Ownership
Sandstone Metals PtyLtd	Australia	100%	100%
Yukon Metals Pty Ltd	Australia	100%	100%
Biscay Minerals Pty Ltd	Australia	100%	-%
Overland Resources (BC) Limited	Canada	100%	100%
Galicia Tin & Tungsten SL	Spain	100%	-%

The Directors of the Group declare that:

The financial statements and notes are in accordance with the *Corporations Act 2001* and:

- comply with Australian Accounting Standards;
- are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in Note 2 to the financial statements; and
- give a true and fair view of the Group's financial position as at 30 June 2020 and of the performance for the year ended 30 June 2020;

In the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

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

On behalf of the Directors

_____

Peter Hatfull
Non-Executive Chairman

24 September 2020

RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

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

Opinion

We have audited the financial report of Rafaella Resources 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 profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial 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 Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
Exploration and evaluation assets - Refer to Note 11	
The Group has capitalised exploration and evaluation expenditure with a carrying value of $10,863,511 as at the reporting date. We considered this to be a key audit matter due to the significant management judgments involved in assessing the carrying value of the assets including: ▪ Determining whether the expenditure can be associated with finding specific mineral resources, and the basis on which that expenditure is allocated to an area of interest; ▪ Assessing whether any indicators of impairment are present and if so, judgement applied to determine and quantity any impairment loss; and ▪ Determining whether exploration activities have reached a stage at which the existence of an economically recoverable reserves may be determined.	Our audit procedures included: ▪ Ensuring that the right to tenure of each area of interest is current; ▪ Agreeing a sample of additions to supporting documentation and ensuring the amounts are capital in nature and relate to the area of interest; ▪ Assessing and evaluating management's assessment of the impairment loss recognised in relation to the disposal of the Sandstone Project; ▪ Assessing and evaluating management's assessment that no indicators of impairment existed as at 30 June 2020; ▪ Enquiring with management and reviewing budgets and other supporting documentation as evidence that active and significant operations in, or relation to, the area of interest will be continued in the future; and ▪ Through discussions with the management and reviewing relevant supporting documentation, assessing management's determination that exploration and evaluation activities have not yet reached a stage where the existence or otherwise of economically recoverable reserves may be reasonably determined.
Acquisition of Galicia Tin & Tungsten SL – refer to Note 21	
During the year ended 30 June 2020, the Group acquired Galicia Tin & Tungsten SL (GTT). The accounting for this acquisition is a key audit matter because it involves management judgement in determining the acquisition date, appropriate acquisition accounting treatment, fair value of assets acquired, liabilities assumed and purchase consideration.	Our audit procedures included: ▪ Obtaining the acquisition agreement and other associated documents to obtain an understanding of the transaction and the related accounting considerations; ▪ Evaluating management's determination that the acquisition did meet the definition of a business in accordance with Accounting Standards; ▪ Assessing management's determination of the acquisition date, fair value of consideration paid, assets acquired and liabilities assumed; and ▪ Reviewing the adequacy and accuracy of the relevant disclosures in the financial statements.

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 the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2020.

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

Responsibilities

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

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 24 September 2020

TUTU PHONG
Partner

As at 15 September 2020

Issued Securities

	Listed on ASX	Unlisted	Total
Fully paid ordinary shares	90,575,571	-	90,575,571
$0.30 listed options expiring 31 October 2021	27,098,036	-	27,098,036
$0.20 unlisted options expiring 19 July 2022	-	2,500,000	2,500,000
$0.20 unlisted options expiring 27 August 2022	-	2,925,000	2,925,000
Milestone 1 performance rights expiring 27 August 2022	-	3,900,000	3,900,000
Milestone 2 performance rights expiring 27 August 2022	-	3,900,000	3,900,000
Total	**117,673,607**	**13,225,000**	**130,898,607**

Distribution of Listed Ordinary Fully Paid Shares

Spread of Holdings	Number of Holders	Number of Units	% of Total Issued Capital
1 - 1,000	11	2,240	0.00%
1,001 - 5,000	22	85,196	0.09%
5,001 - 10,000	52	476,179	0.53%
10,001 - 100,000	151	7,848,910	8.67%
100,001 - and over	147	82,163,046	90.71%
Total	**383**	**90,575,751**	**100.00%**

Distribution of Listed Options

Spread of Holdings	Number of Holders	Number of Units	% of Total Issued Capital
1 - 1,000	2	1,120	0.00%
1,001 - 5,000	21	66,622	0.25%
5,001 - 10,000	19	136,675	0.50%
10,001 - 100,000	44	2,008,021	7.41%
100,001 - and over	25	24,885,598	91.84%
Total	**111**	**27,098,036**	**100.00%**

Top 20 Listed Ordinary Fully Paid Shareholders

Rank	Shareholder	Shares Held	% Issued Capital
1.	TRANSAMINE HOLDINGS & INVESTMENTS LTD	5,000,000	5.52%
2.	SUBURBAN HOLDINGS PTY LTD <THE SUBURBAN SUPER FUND A/C>	4,904,426	5.41%
3.	ULEX RECURSOS SL	4,375,000	4.83%
4.	ANGLO MENDA PTY LTD	2,958,808	4.32%
5.	ANGLO AUSTRALASIA HOLDINGS PTY LTD <ANGLO AUSTRALASIA A/C>	2,825,000	3.12%
6.	BRING ON RETIREMENT LTD	2,613,181	2.89%
7.	KEITH DAVIDSON	2,463,270	2.72%
8.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,100,000	2.32%
9.	ATLANTIC CAPITAL HOLDINGS PTY LTD <ATLANTIC CAPITAL A/C>	1,960,000	2.16%
10.	EVERBLU CAPITAL PTY LTD	1,900,000	2.10%
11.	VBT PTY LTD	1,818,182	2.01%
12.	KIMBERLY WRIXON	1,527,277	1.69%
13.	RIMOYNE PTY LTD	1,459,091	1.61%
14.	HORATIO STREET PTY LIMITED<HORATIO STREET FAMILY A/C>	1,429,546	1.58%
15.	SUBURBAN HOLDINGS PTY LIMITED <SUBURBAN SUPER FUND A/C>	1,345,000	1.48%
16.	DANIEL & JULIE EDDINGTON <D J HOLDINGS ACCT>	1,285,200	1.42%
17.	CITICORP NOMINEES PTY LIMITED	1,255,300	1.39%
18.	JOSEPH PATRICK BURKE	1,250,200	1.38%
19.	E & E HALL PTY LTD <E + E HALL SUPER FUND AC>	1,215,200	1.34%
20.	EXTRACTIVE CAPITAL PTE LTD	1,144,237	1.26%
Total		**44,828,918**	**49.49%**

Top 20 Listed Options

Rank	Option Holder	Options Held	% Issued Capital
1.	ATLANTIC CAPITAL HOLDINGS PTY LTD <ATLANTIC CAPITAL A/C>	14,717,309	54.31%
2.	CHIFLEY PORTFOLIOS PTY LTD <DAVID HANNON RETIREMENT A/C>	1,055,966	3.90%
3.	NATIONAL NOMINEES LIMITED <DB A/C>	1,039,417	3.84%
4.	RIMOYNE PTY LTD	1,014,299	3.74%
5.	ANGLO AUSTRALASIA HOLDINGS PTY LTD <ANGLO AUSTRALASIA A/C>	941,667	3.48%
6.	ANGLO MENDA PTY LTD	915,001	3.38%
7.	PITTAR NOMINEES PTY LIMITED	719,600	2.66%
8.	MR NICHOLAS DERMOTT MCDONALD	600,003	2.21%
9.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	500,000	1.85%
10.	HORATIO STREET PTY LIMITED <HORATIO STREET FAMILY A/C>	391,667	1.45%
11.	EXERTUS CAPITAL PTY LTD	390,000	1.44%
12.	HAVENRANCH PTY LIMITED <RACKLYEFT RET FUND ACCOUNT>	353,334	1.30%
13.	SUBURBAN HOLDINGS PTY LIMITED <SUBURBAN SUPER FUND A/C>	333,334	1.23%
14.	CELTIC CAPITAL PTY LTD <THE CELTIC CAPITAL A/C>	316,667	1.17%
15.	MR WILLIAM LESLIE KELSO	300,000	1.11%
15.	MR SHANE TIMOTHY BALL <THE BALL A/C>	300,000	1.11%
16.	PHEAKES PTY LTD <SENATE A/C>	291,667	1.08%
17.	ANNABELLE SHAMIR	174,000	0.64%
18.	MR PETER CHARLES PITTAR	140,000	0.52%
19.	MR MARK JOHN BAHEN & MRS MARGARET PATRICIA BAHEN <MJ BAHEN SUPER FUND A/C>	125,000	0.46%
20.	MR MATTHEW BLUMBERG	120,000	0.44%
Total		**24,738,931**	**91.29%**

The number of shareholdings held in less than marketable parcels is 34.

The Company has the following substantial shareholders listed in its register as at 15 September 2020:

Rank	Shareholder	Shares Held	% Issued Capital
1.	Adam Blumenthal Entities	11,836,483	13.07%
2.	SUBURBAN HOLDINGS PTY LTD <THE SUBURBAN SUPER FUND A/C>	6,249,426	6.89%
3.	TRANSAMINE HOLDINGS & INVESTMENTS LTD	5,000,000	5.52%

Ordinary Shares Voting Rights - Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

The Company has the following restricted securities on issue as at the date of this report:

Security Type	Number of Securities Escrowed	Escrow Duration	Escrow Date
Fully paid ordinary shares (voluntary escrow)	13,125,000	12 months from date of issue	26 August 2020
Fully paid ordinary shares (voluntary escrow)	4,375,000	12 months from date of issue	14 October 2020
$0.20 unlisted options expiring 27 August 2022 (voluntary escrow)	1,500,000	18 months from date of issue	27 February 2021

Use of Funds

Between the date of listing on ASX and the date of this report the Group has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives and as set out in the Second Replacement Prospectus dated 1 June 2018.

Schedule of Exploration Tenements

Project	Tenement Name	Interest Held
Santa Comba	San Antonio	100%
Santa Comba	Santa María	100%
Santa Comba	Oportuna	100%
Santa Comba	Carballeira	100%
Santa Comba	Santa Bárbara	100%
Santa Comba	Carmen Facción 1ª	100%
Santa Comba	Ampliación a Oportuna	100%
Santa Comba	Demasía a Santa María	100%
Santa Comba	Primera Demasía a Oportuna	100%
Santa Comba	Segunda Demasía a Oportuna	100%
Santa Comba	Demasía a Carballeira	100%
Santa Comba	Demasía a Santa Bárbara	100%
Santa Comba	Primera Demasía a Carmen Facción 1ª	100%
Santa Comba	Segunda Demasía a Carmen Facción 1ª	100%
Santa Comba	Demasía a Ampliación a Oportuna	100%

Project	Claim Name & Number	Grant Number	Interest Held
McCleery	MM 1	YD81304	100%
McCleery	MM 2	YD81305	100%
McCleery	MM 3	YD81306	100%
McCleery	MM 4	YD81307	100%
McCleery	MM 5	YD81308	100%
McCleery	MM 6	YD81309	100%
McCleery	MM 7	YD81310	100%
McCleery	MM 8	YD81311	100%
McCleery	MM 9	YD81312	100%
McCleery	MM 10	YD81313	100%
McCleery	MM 11	YD81314	100%
McCleery	MM 12	YD81315	100%
McCleery	MM 13	YD81316	100%
McCleery	MM 14	YD81317	100%
McCleery	MM 15	YD81318	100%
McCleery	MM 16	YD81319	100%
McCleery	MM 17	YD81320	100%
McCleery	MM 18	YD81321	100%
McCleery	MM 19	YD81322	100%
McCleery	MM 20	YD81323	100%
McCleery	MM 21	YD81324	100%
McCleery	MM 22	YD81325	100%
McCleery	MM 23	YD81326	100%
McCleery	MM 24	YD81327	100%
McCleery	MM 25	YD81328	100%
McCleery	MM 26	YD81329	100%
McCleery	MM 27	YD81330	100%
McCleery	MM 28	YD81331	100%
McCleery	MM 29	YD81332	100%
McCleery	MM 30	YD81333	100%

McCleery	MM 31	YD81334	100%
McCleery	MM 32	YD81335	100%
McCleery	MM 33	YD81336	100%
McCleery	MM 34	YD81337	100%
McCleery	MM 35	YD81338	100%
McCleery	MM 36	YD81339	100%
McCleery	MM 37	YD81340	100%
McCleery	MM 38	YD81341	100%
McCleery	MM 39	YD81342	100%
McCleery	MM 40	YD81343	100%
McCleery	MM 41	YD81344	100%
McCleery	MM 42	YD81345	100%
McCleery	MM 43	YD81351	100%
McCleery	MM 44	YD81352	100%
McCleery	MM 45	YD81353	100%
McCleery	MM 46	YD81354	100%
McCleery	MM 47	YD81355	100%
McCleery	MM 48	YD81356	100%
McCleery	MM 49	YD81357	100%
McCleery	MM 50	YD81358	100%
McCleery	MM 51	YD81359	100%
McCleery	MM 52	YD81360	100%
McCleery	MM 53	YD81361	100%
McCleery	MM 54	YD81362	100%
McCleery	MM 55	YD81363	100%
McCleery	MM 56	YD81364	100%
McCleery	MM 57	YD81365	100%
McCleery	MM 58	YD81366	100%
McCleery	MM 59	YD81367	100%
McCleery	MM 60	YD81368	100%
McCleery	MM 61	YD81369	100%
McCleery	MM 62	YD81370	100%
McCleery	MM 63	YD81371	100%
McCleery	MM 64	YD81372	100%
McCleery	MM 65	YD81373	100%
McCleery	MM 66	YD81374	100%
McCleery	MM 67	YD81375	100%
McCleery	MM 68	YD81376	100%
McCleery	MM 69	YD81377	100%
McCleery	MM 70	YD81378	100%
McCleery	MM 71	YD81379	100%
McCleery	MM 72	YD81380	100%
McCleery	MM 73	YD81381	100%
McCleery	MM 74	YD81382	100%
McCleery	MM 75	YD81383	100%
McCleery	MM 76	YD81384	100%
McCleery	MM 77	YD81385	100%
McCleery	MM 78	YD81386	100%
McCleery	MM 79	YD81387	100%
McCleery	MM 80	YD81388	100%
McCleery	MM 81	YD81389	100%

McCleery	MM 82	YD81390	100%
McCleery	MM 83	YD81391	100%
McCleery	MM 84	YD81392	100%
McCleery	MM 85	YD81393	100%
McCleery	MM 86	YD81394	100%
McCleery	MM 87	YD81395	100%
McCleery	MM 88	YD81396	100%
McCleery	MM 89	YD81397	100%
McCleery	MM 90	YD81398	100%
McCleery	MM 91	YD81399	100%
McCleery	MM 92	YD81400	100%
McCleery	MM 93	YD81449	100%
McCleery	MM 94	YD81450	100%
McCleery	MM 95	YD81451	100%
McCleery	MM 96	YD81452	100%
McCleery	MM 97	YD81453	100%
McCleery	MM 98	YD81454	100%
McCleery	MM 99	YD81455	100%
McCleery	MM 100	YD81456	100%
McCleery	MM 101	YD81457	100%
McCleery	MM 102	YD81458	100%
McCleery	MM 103	YD81459	100%
McCleery	MM 104	YD81460	100%
McCleery	MM 105	YD81461	100%
McCleery	MM 106	YD81462	100%
McCleery	MM 107	YD81463	100%
McCleery	MM 108	YD81464	100%
McCleery	MM 109	YD81465	100%
McCleery	MM 110	YD81466	100%
McCleery	MM 111	YD81467	100%
McCleery	MM 112	YD81468	100%
McCleery	MM 113	YD81469	100%
McCleery	MM 114	YD81470	100%
McCleery	MM 115	YD81471	100%
McCleery	MM 116	YD81472	100%
McCleery	MM 117	YD81473	100%
McCleery	MM 118	YD81474	100%
McCleery	MM 119	YD81475	100%
McCleery	MM 120	YD81476	100%
McCleery	MM 121	YD81477	100%
McCleery	MM 122	YD81478	100%
McCleery	MM 123	YD81479	100%
McCleery	MM 124	YD81480	100%
McCleery	MM 125	YD81481	100%
McCleery	MM 126	YD81482	100%
McCleery	MM 127	YD81483	100%
McCleery	MM 128	YD81484	100%
McCleery	MM 129	YD81485	100%
McCleery	MM 130	YD81486	100%
McCleery	MM 131	YD81487	100%
McCleery	MM 132	YD81488	100%

McCleery	MM 133	YD81489	100%
McCleery	MM 134	YD81490	100%
McCleery	MM 135	YD81491	100%
McCleery	MM 136	YD81492	100%
McCleery	MM 137	YD81493	100%
McCleery	MM 138	YD81494	100%
McCleery	MM 139	YD81495	100%
McCleery	MM 140	YD81496	100%
McCleery	MM 141	YD81497	100%
McCleery	MM 142	YD81498	100%
McCleery	MM 143	YD81499	100%
McCleery	MM 144	YD81500	100%
McCleery	MM 145	YD81501	100%
McCleery	MM 146	YD81502	100%
McCleery	MM 147	YD81259	100%
McCleery	MM 148	YD81260	100%
McCleery	MM 149	YD81261	100%
McCleery	MM 150	YD81262	100%
McCleery	MM 151	YD81263	100%
McCleery	MM 152	YD81264	100%
McCleery	MM 153	YD81265	100%
McCleery	MM 154	YD81266	100%
McCleery	MM 155	YD81267	100%
McCleery	MM 156	YD81268	100%
McCleery	MM 157	YD81269	100%
McCleery	MM 158	YD81270	100%
McCleery	MM 159	YD81271	100%
McCleery	MM 160	YD81272	100%
McCleery	MM 161	YD81273	100%
McCleery	MM 162	YD81274	100%
McCleery	MM 163	YD81275	100%
McCleery	MM 164	YD81276	100%
McCleery	MM 165	YD81277	100%
McCleery	MM 166	YD81278	100%
McCleery	MM 167	YD81279	100%
McCleery	MM 168	YD81280	100%
McCleery	MM 169	YD81281	100%
McCleery	MM 170	YD81282	100%
McCleery	MM 171	YD81283	100%
McCleery	MM 172	YD81284	100%
McCleery	MM 173	YD81285	100%
McCleery	MM 174	YD81286	100%
McCleery	MM 175	YD81287	100%
McCleery	MM 176	YD81288	100%
McCleery	MM 177	YD81289	100%
McCleery	MM 178	YD81290	100%
McCleery	MM 179	YD81291	100%
McCleery	MM 180	YD81292	100%
McCleery	MM 181	YD81293	100%
McCleery	MM 182	YD81294	100%
McCleery	MM 183	YD81295	100%

McCleery	MM 184	YD81296	100%
McCleery	MM 185	YD21019	100%
McCleery	MM 186	YD21020	100%
McCleery	MM 187	YD21021	100%
McCleery	MM 188	YD21022	100%
McCleery	MM 189	YD21023	100%
McCleery	MM 190	YD21024	100%
McCleery	MM 191	YD21025	100%
McCleery	MM 192	YD21026	100%
McCleery	MM 193	YD21027	100%
McCleery	MM 194	YD21028	100%
McCleery	MM 195	YD21029	100%
McCleery	MM 196	YD21030	100%
McCleery	MM 197	YD21031	100%
McCleery	MM 198	YD21032	100%
McCleery	MM 199	YD21033	100%
McCleery	MM 200	YD21034	100%
McCleery	MM 201	YD21035	100%
McCleery	MM 202	YD21036	100%
McCleery	MM 203	YD21037	100%
McCleery	MM 204	YD21038	100%
McCleery	MM 205	YD21039	100%
McCleery	MM 206	YD21040	100%
McCleery	MM 207	YD21041	100%
McCleery	MM 208	YD21042	100%
McCleery	MM 209	YD21043	100%
McCleery	MM 210	YD21044	100%
McCleery	MM 211	YD21045	100%
McCleery	MM 212	YD21046	100%
McCleery	MM 213	YD21047	100%
McCleery	MM 214	YD21048	100%
McCleery	MM 215	YD21049	100%
McCleery	MM 216	YD21050	100%
McCleery	MM 217	YD21051	100%
McCleery	MM 218	YD21052	100%
McCleery	MM 219	YD21053	100%
McCleery	MM 220	YD21054	100%
McCleery	MM 221	YD21055	100%
McCleery	MM 222	YD21056	100%
McCleery	MM 223	YD21057	100%
McCleery	MM 224	YD21058	100%
McCleery	MM 225	YD21059	100%
McCleery	MM 226	YD21060	100%
McCleery	MM 227	YD21061	100%
McCleery	MM 228	YD21062	100%
McCleery	MM 229	YD21063	100%
McCleery	MM 230	YD21064	100%
McCleery	MM 231	YD21065	100%
McCleery	MM 232	YD21066	100%
McCleery	MM 233	YD21067	100%
McCleery	MM 234	YD21068	100%

McCleery	MM 235	YD21069	100%
McCleery	MM 236	YD21070	100%
McCleery	MM 237	YD21071	100%
McCleery	MM 238	YD21072	100%
McCleery	MM 239	YD21073	100%
McCleery	MM 240	YD21074	100%
McCleery	MM 241	YD21075	100%
McCleery	MM 242	YD21076	100%
McCleery	MM 243	YD21077	100%
McCleery	MM 244	YD21078	100%