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NEW WORLD RESOURCES LIMITED

ANNUAL REPORT
30 JUNE 2020

A.B.N. 23 108 456 444

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CORPORATE INFORMATION

Directors

Richard Hill (Non-Executive Chairman)

Michael Haynes (Managing Director)

Anthony Polglase (Non-Executive Director)

Company Secretary

Ian Cunningham

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Country of Incorporation

Australia

Auditors

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Level 2, 1 Walker Avenue
West Perth W.A. 6005

Telephone: (08) 9481 3188
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ASX Code: NWC

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DIRECTORS' REPORT

In accordance with the provisions of the Corporations Act 2001, the Directors submit the annual financial report of the consolidated entity consisting of New World Resources Limited, formerly New World Cobalt Limited, ("New World Resources" or the "Company") and the entities it controlled (collectively the "Group" or "Consolidated Entity") for the financial year ended 30 June 2020.

Directors

The names of Directors who held office during or since the end of the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Richard Hill (Non-Executive Chairman)
Michael Haynes (Managing Director)
Anthony Polglase (Non-Executive Director) – appointed 17 October 2019
Scott Mison (Non-Executive Director) – resigned 26 November 2019

Names, qualifications, experience and special responsibilities of Directors holding office during or since the end of the financial year:

Current Directors

Mr Richard Hill, BSc (Hons), B.Juris, LLB.
Non-Executive Chairman

Mr Hill is a geologist and solicitor with over 25 years' experience in the resources industry. He has performed roles as commercial manager and geologist for several mid cap Australian mining companies and as founding director for a series of successful ASX-listed companies. Mr Hill has practical geological experience as a mine based and exploration geologist in a range of commodities.

In the three years immediately before the end of the financial year, Mr Hill served as Chairman of Genesis Minerals Limited, from 13 February 2013 to 23 November 2018 and a Director of Strandline Resources Limited, from 2 June 2017 to 1 November 2017. Mr Hill is currently serving as a Non-Executive Director of Sky Metals Limited (appointed 20 June 2019) and Accelerate Resources Limited (appointed 3 July 2020).

Mr Michael Haynes, BSc Geology, AIG
Managing Director

Mr Haynes has more than 25 years' experience in the international resources industry. He graduated from the University of Western Australia with an honours degree in geology and geophysics and has explored for a wide variety of ore deposit styles throughout Australia and extensively in Southeast and Central Asia, Africa, Europe, South and North America.

Mr Haynes has held technical positions with both BHP Minerals and Billiton plc. He has worked extensively on project generation and acquisition throughout his career. During the past 13 years he has been intimately involved in the incorporation and initial public offerings of numerous resources companies, and in the ongoing financing and management of those and other companies.

Mr. Haynes has not held any other Directorships of listed companies during the past three years.

Mr Anthony Polglase (appointed 17 October 2019)
Non-Executive Director
Mr Polglase has a Bachelor of Engineering First Class Honours degree in Metallurgy from the Camborne School of Mines and Higher National Certificates in both Mechanical Engineering and Electrical Engineering.

Mr Polglase started his career at the South Crofty Mine in Cornwall. Since then he has accumulated more than 40 years of experience working globally in different mining disciplines for companies including Ashanti, Rio Tinto, TVX and Ivernia in Africa, Europe, the Former Soviet Union, Australia, and, for the last decade, in Brazil. Mr Polglase was most recently both a founder and the Managing Director of Avanco Resources Limited, which he took to production and, later, acquisition by OZ Minerals Limited for $418 million in 2018.

In the three years immediately before the end of the financial year, Mr Polglase served as Managing Director of Avanco Resources Limited (from 4 July 2007 to 11 June 2018) and as a Non-Executive Director of Metals X Limited (from 24 October 2019 to 10 July 2020). Mr Polglase is currently serving as a Non-Executive Director of Black Cat Syndicate Limited (appointed 25 May 2020).

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DIRECTORS' REPORT (continued)

Mr Scott Mison, B.Bus, CA, ACSA (resigned 26 November 2019)
Non-Executive Director

Mr Mison holds a Bachelor of Business degree, majoring in Accounting and Business Law, is a Member of the Chartered Accountants in Australia & New Zealand and Chartered Secretaries in Australia. Mr Mison has more than 19 years of corporate and operational experience across Australia, UK, Central Asia, Africa and the US.

In the three years immediately before the end of the financial year, Mr Mison served as a Director of Jupiter Energy Limited (from 31 January 2011 to 20 April 2018) and Zyber Holdings Limited (from 3 October 2017 to 31 October 2018).

Mr Ian Cunningham, BCom, LLB, ICAA, FGIA
Company Secretary

Mr Cunningham is a Chartered Accountant and Chartered Secretary and holds a Bachelor of Commerce degree and Bachelor of Laws degree from the University of Western Australia. He has more than 15 years' experience in the resources industry in executive and senior management roles.

Interests in the shares, options and rights of the Company and related bodies corporate

The following relevant interests in shares, options and rights of the Company or a related body corporate were held by the Directors as at the date of this report.

Directors	Number of options over ordinary shares	Number of performance rights	Number of fully paid ordinary shares
Richard Hill	6,000,000	-	25,951,682
Michael Haynes	15,000,000	-	37,667,305
Anthony Polglase	6,000,000	-	1,700,000

27,000,000 share options were granted to Directors during the year.

No performance rights of the Company were granted to Directors during or since the end of the financial year as part of their remuneration.

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

Expiry date	*Exercise price*	*Number of options*
13 December 2021	12.45, 14.95, 17.45, 19.95 and 22.45 cents	350,000
30 June 2022	2 cents	26,250,000
27 September 2022	4 cents	65,000,000
28 November 2022	4 cents	44,500,000

Dividends

No dividends have been paid or declared since the start of the financial year and the Directors do not recommend the payment of a dividend in respect of the financial year.

Principal Activities

The principal activities of the Group during the year were exploration for mineral resources.

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DIRECTORS' REPORT (continued)

Review of Operations

The Company is pleased to provide the following review of operations for the past year.

Over the past few years the Company has assembled a portfolio of highly prospective projects in North America. Initially these comprised the Colson and Goodsprings Cobalt-Copper Projects in Idaho and Nevada. The portfolio was subsequently expanded with the acquisition of the Tererro Cu-Au-Zn VMS Project in New Mexico in April 2019. And more recently, in January 2020, the Company announced it had secured the rights to acquire a 100% interest in the advanced Antler Copper Deposit ("Antler Deposit") in Arizona, USA. Figure 1 illustrates the location of the Company's projects.

Figure 1. Location of New World's Projects in the USA.

For most of the past 12 months, the Company's focus has primarily been on the exploration and development of the Antler Deposit, as this is the most advanced asset in the Company's portfolio and provides a potentially low capital cost, high-margin, near-term production opportunity.

The Antler Copper Project, Arizona, USA

Project History

On 14 January 2020 New World announced it had executed an agreement that provides it with the right to acquire a 100% interest in the historical high-grade Antler Copper Mine in Arizona, USA.

The Antler Deposit was discovered in north-western Arizona, USA, in the late 1800s. Mineralisation is mapped (at surface) to extend over more than 750m of strike.

Intermittent production from the Deposit between 1916 and 1970 totalled approximately 70,000 tonnes of ore at a grade around **2.9% Cu, 6.9% Zn, 1.1% Pb, 31 g/t Ag and 0.3 g/t Au**.

Between 1970 and 1975, following completion of the most recent episode of mining, a total of 19 holes were drilled from the surface and underground with the objectives being to:

(i) Increase confidence in the known mineralisation immediately below the mined levels (predominantly below the "7th Level" which was developed 150m below surface) in advance of anticipated resumption of mining; and

(ii) Explore for additional mineralisation.

The underground drilling delineated a panel of high-confidence, high-grade mineralisation immediately beneath historical stopes that could be rapidly exploited on recommencement of mining operations.

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DIRECTORS' REPORT (continued)

Review of Operations (continued)

The surface drilling comprised 9 very-widely spaced diamond core holes that were drilled over more than 500m of strike. 8 of these holes intersected high-grade mineralisation, with the deepest hole intersecting mineralisation approximately 500m below the historical workings. Significantly, the deepest hole also intersected the thickest interval of mineralisation.

Following completion of this drilling, in 1975, a consultant to Standard Metals Corporation (the owner of the Project at the time), prepared a preliminary feasibility study into the redevelopment of the Antler Deposit. This included a mineral resource estimate, which comprised:

Table 1. Historical (1975) Mineral Resource estimate for the Antler Deposit*

Deposit	Tonnes	Cu %	Zn %	Pb %	Ag (g/t)
Antler	4,660,000	1.95	4.13	0.94	35.9

*For further details on the Antler Deposit historic mineral resource estimate, refer to the footnote on page 18 of this report. Refer also further below for details on the Company's proposed work programs, which will include activities aimed at evaluating the historical estimate and determining a mineral resource estimate for the Antler Deposit in accordance with the JORC Code (2012).

Despite the presence of this sizeable and high-grade resource, mining never resumed and no further work has been undertaken at the Project – until New World Resources recent involvement.

New World Resources Immediate Objectives

Given the Deposit's favourable attributes that include:

- High grades;
- Location in a Tier-1 mining jurisdiction with streamlined permitting protocols;
- Good infrastructure;
- Past production history; and
- Advanced stage of exploration and development,

the Company believes there is excellent potential to rapidly develop a low-OPEX/low-CAPEX mining operation at Antler.

Accordingly, the Company's immediate objective is to complete confirmatory and in-fill drilling, within areas where considerable historical drilling has demonstrated mineralisation is present, to rapidly delineate a high-grade JORC Code Indicated Resource estimate that can be utilised in mining studies to evaluate the potential to bring the Antler Deposit back into production in the near-term.

Initial Drilling Program

In March 2020 the Company commenced its maiden drilling program at the Antler Project. Initial priorities are to:

1. Undertake an appropriate amount of confirmatory drilling within a panel of "high-confidence, high-grade mineralisation" immediately below the previous stopes that has previously been drilled and sampled from underground. Initial production (if mining operations resume) is expected to be derived from this area (Figure 1);
2. Undertake in-fill drilling between the more widely spaced and deeper historical holes (including B-3, B-2, B-6 and B-7; see Figure 1) that indicate there is a thicker, high-grade "plunging shoot" down-dip of the previous stopes;
3. Undertake initial shallow drilling adjacent to historical stopes to test the thickness and grade of unmined mineralisation in these areas; and
4. To conduct initial step-out drilling outside the "plunging shoot" to test for thicker high-grade zones of mineralisation.

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DIRECTORS' REPORT (continued)

Review of Operations (continued)

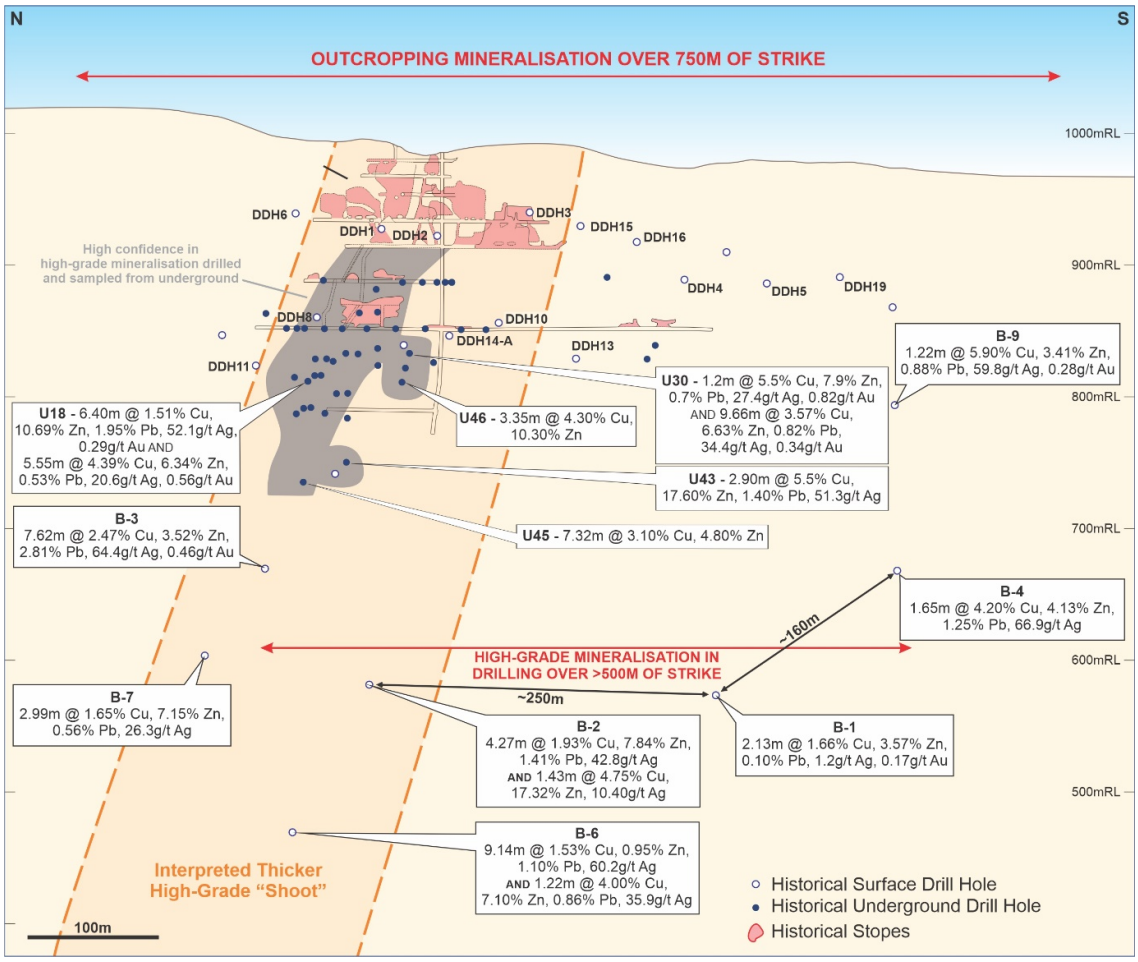

Figure 2. Long Section showing extent of historical underground workings, previous stopes, and select significant intersections in surface and underground drilling at the Antler Copper Deposit prior to the commencement of the Company's maiden drilling program.

At the time of preparation of this report, the Company had completed 20 holes for a total of approximately 5,072 metres; with drilling continuing. Assay results have been returned for the first 18 of these holes.

The Company's initial holes consistently intersected significant thicknesses of high-grade mineralisation that confirmed the presence of substantial un-mined, high-grade mineralisation in areas immediately adjacent to the historical stopes. Results from initial holes included:

- **13.2m @ 3.45% Cu, 5.20% Zn, 0.36% Pb, 25.0 g/t Ag and 0.41 g/t Au from 128.3m in ANTDD202006; and**
- **8.9m @ 2.62% Cu, 6.22% Zn, 0.64% Pb, 28.0 g/t Ag and 0.30 g/t Au from 198.0m in ANTDD202005**

The location of these intersections is illustrated in Figure 2.

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DIRECTORS' REPORT (continued)

Review of Operations (continued)

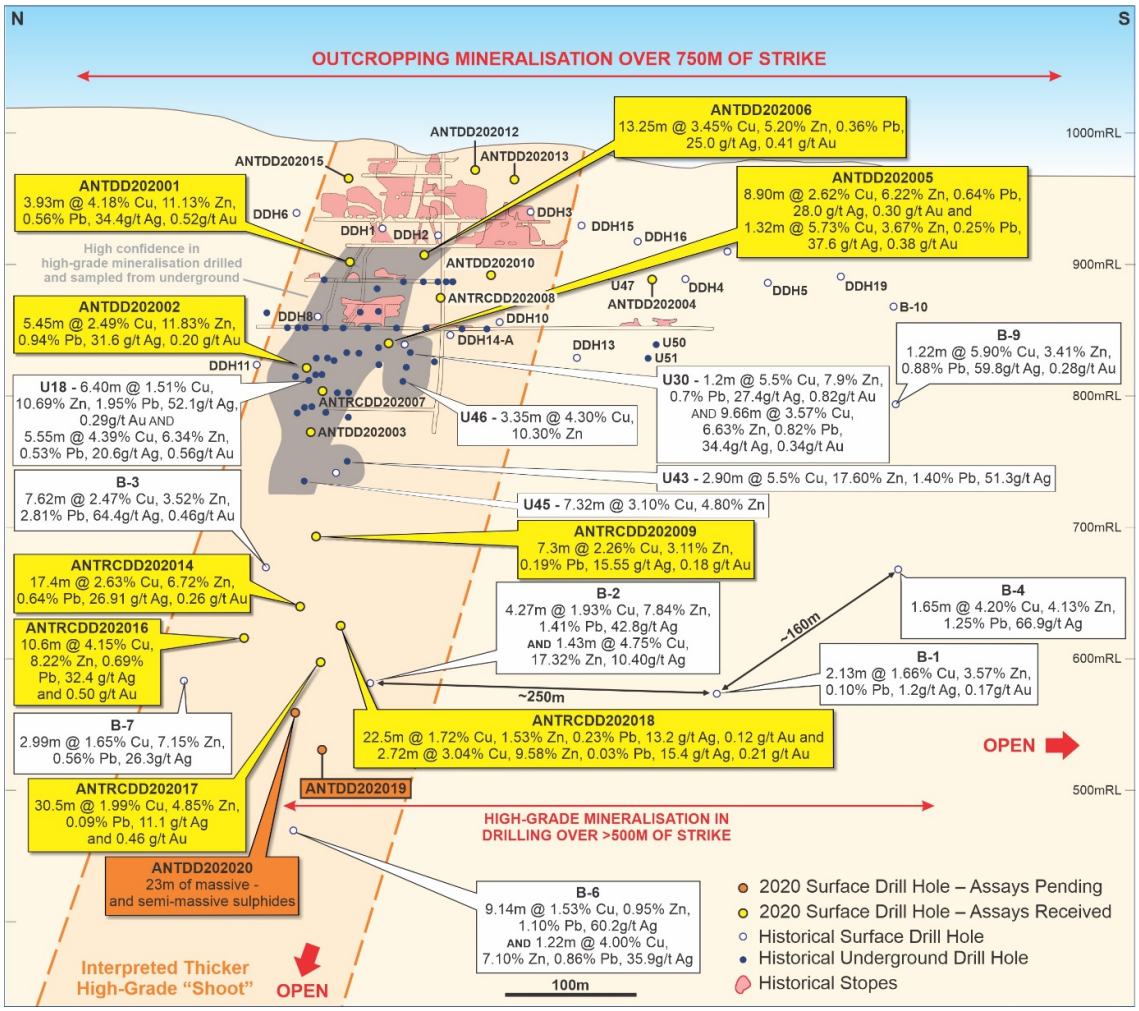

Figure 3. Long Section showing extent of historical underground workings, previous stopes, and select significant intersections in surface and underground drilling at the Antler Copper Deposit from both historical drilling and from the Company's maiden drilling program.

Subsequent holes have systematically been drilled to explore for extensions of mineralisation at depth. Multiple holes have now intersected very thick, high-grade mineralisation well below the historical workings – to date to more than 450m down-dip from the outcropping mineralisation at surface, and more than 300m down-dip from historical stopes (see Figure 3). Significant results include:

- **30.5m @ 1.99% Cu, 4.85% Zn, 0.09% Pb, 11.1 g/t Ag and 0.46 g/t Au from 408.0m in ANTRCDD202017;**
- **17.4m @ 2.63% Cu, 6.72% Zn, 0.64% Pb, 26.9 g/t Ag, 0.26 g/t Au in ANTRCDD202014;**
- **10.6m @ 4.15% Cu, 8.22% Zn, 0.69% Pb, 32.4 g/t Ag and 0.50 g/t Au from 410.65m in ANTRCDD202016;**
- **22.5m @ 1.72% Cu, 1.53% Zn, 0.23% Pb, 13.2 g/t Ag and 0.13 g/t Au from 353.3m, *including:***
  - ***1.7m @ 2.91% Cu, 3.62% Zn, 0.03% Pb, 9.96 g/t Ag and 0.22 g/t Au from 355.7m; and***
  - ***4.6m @ 2.48% Cu, 4.01% Zn, 0.62 % Pb, 27.0 g/t Ag and 0.20 g/t Au from 371.2m;* and**

  2.7m @ 3.04% Cu, 9.58% Zn, 0.03% Pb, 15.4 g/t Ag and 0.21 g/t Au from 402.6m, in ANTDD202018; and
- **7.3m @ 2.26% Cu, 3.11% Zn, 0.19% Pb, 15.6 g/t Ag, 0.18 g/t Au in ANTRCDD202009**

The location of these intersections is illustrated in Figure 3.

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DIRECTORS' REPORT (continued)

Review of Operations (continued)

Mineralisation remains open in all directions, and drilling continues.

Detailed Magnetic Survey

The magnetic iron-sulphide mineral, pyrrhotite, has been observed to be intimately associated with the mineralisation at the Antler Deposit. In light of this, during June, the Company commissioned a detailed magnetic survey over the Deposit to assist in delineating extensions of the mineralisation. A drone was used to acquire data on 50m-spaced survey lines.

A strong magnetic anomaly, up to 200nT, coincides with the Antler Deposit (see Figure 4). Significantly, this anomaly extends over a strike length of more than 1,000m. A substantial portion of the southern end of this anomaly is poorly and/or completely untested with drilling, highlighting the considerable potential to delineate extensions of the mineralisation along this corridor.

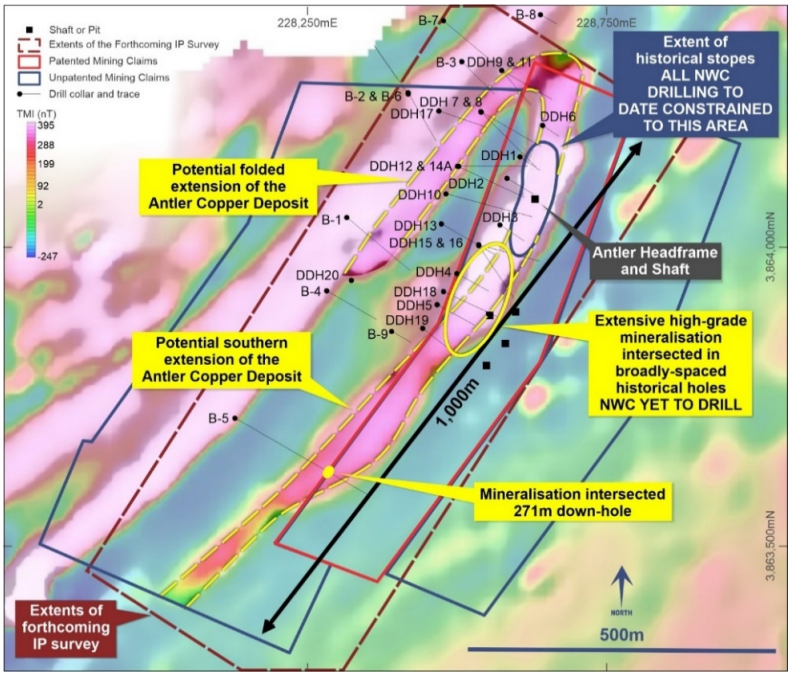

Figure 4. Image of first vertical derivative of detailed magnetic data acquired recently over and around the Antler Copper Deposit, showing potential extensions of the mineralisation at the Deposit and area being targeted with the current IP survey.

Induced Polarisation Survey

At the date of this report an Induced Polarisation ("IP") survey was in progress over the 1,000m-long magnetic anomaly that coincides with the Antler Deposit. It is anticiapted that this survey will help delineate higher concentrations of sulphides along this trend, which is expected to help expedite the discovery of thicker zones of mineralisation along strike from the Antler Deposit.

Initial drilling along this corridor is scheduled to commence shortly after final processed IP data are received.

Tererro Cu-Au-Zn VMS Project, New Mexico, USA

The Company's Tererro Project is centred on the Jones Hill VMS Deposit, which is located 8km south-west of the historical Pecos Mine in northern New Mexico (also a VMS deposit; see Figure 5). Between 1927 and 1939 approximately 2 million tonnes of ore was mined from the Pecos Deposit at average grades of 13.1% Zn, 4.0% Pb, 0.78% Cu, 116 g/t Ag and 3.63 g/t Au. Mining operations ceased in 1939.

DIRECTORS' REPORT (continued)

Review of Operations (continued)

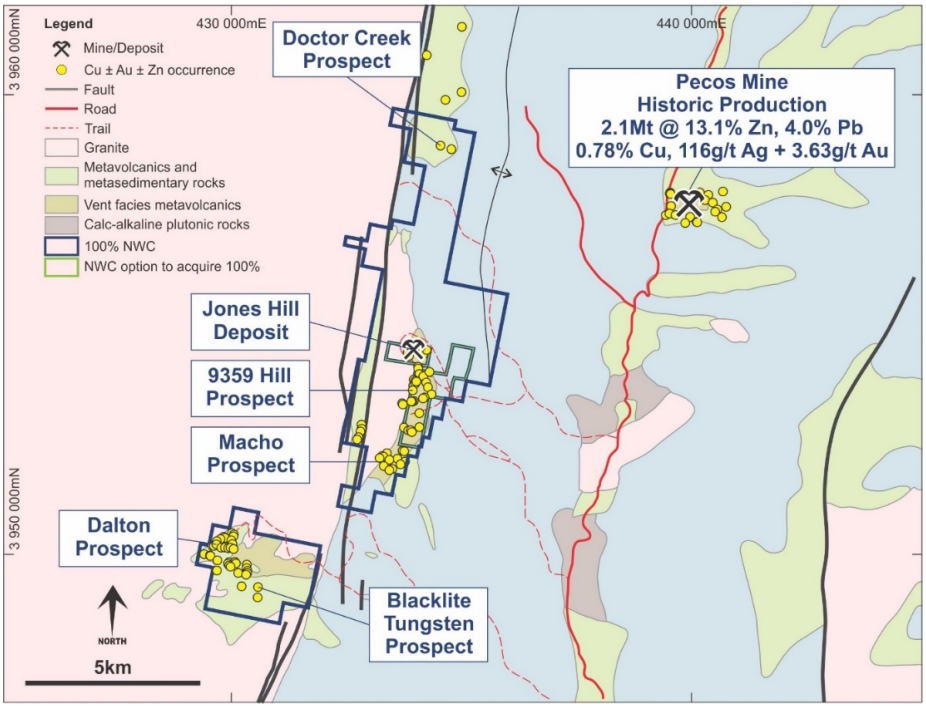

Figure 5. Geology of the Company's Tererro Cu-Au-Zn Project and surrounds, New Mexico, USA.

While mineralisation had been known to be present at the Jones Hill Deposit since the 1800s; with small scale workings active in the 1930s and 1940s; massive sulphide mineralisation was not discovered at the Deposit until 1977 when Conoco Inc. was implementing a concerted exploration program after optioning the Project in 1974.

57 diamond core holes were drilled at the Jones Hill Deposit between 1977 and 1984 (see Figure 6). Thick mineralisation, which comes to surface, provides the potential for low mining costs, with significant intersections in historical diamond drilling including:

- **94.8m @ 5.24 g/t Au, 0.83% Cu, 0.32% Pb, 0.68% Zn and 24.3 g/t Ag from 203.9m (J25), including:**
  - **5.5m @ 13.10 g/t Au, 1.37% Cu, 0.64% Zn and 24.6 g/t Ag from 210.3m;**
  - **30.6m @ 7.73 g/t Au, 1.13% Cu, 0.47% Pb, 0.72% Zn and 32.7 g/t Ag from 249.8m; and**
  - **8.0m @ 8.73 g/t Au, 1.90% Cu, 0.26% Pb, 0.58% Zn and 43.9 g/t Ag from 286.5m**
- **33.2m @ 2.34 g/t Au, 2.76% Cu, 0.09% Pb, 6.01% Zn and 22.5 g/t Ag from 185.0m (J9)**
- **48.6m @ 2.88 g/t Au, 1.00% Cu, 0.48% Pb, 0.49% Zn and 36.6 g/t Ag from 130.0m (J7), including:**
  - **19.1m @ 3.52 g/t Au, 1.57% Cu, 0.63% Pb, 0.65% Zn and 48.7 g/t Ag from 145.8m**
- **63.4m @ 3.05 g/t Au, 0.40% Cu, 0.21% Pb, 0.18% Zn and 17.2 g/t Ag from 284.4m (J27), including:**
  - **10.8m @ 5.41 g/t Au, 0.27% Cu, 0.57% Pb and 42.3 g/t Ag from 337.0m**

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DIRECTORS' REPORT (continued)

Review of Operations (continued)

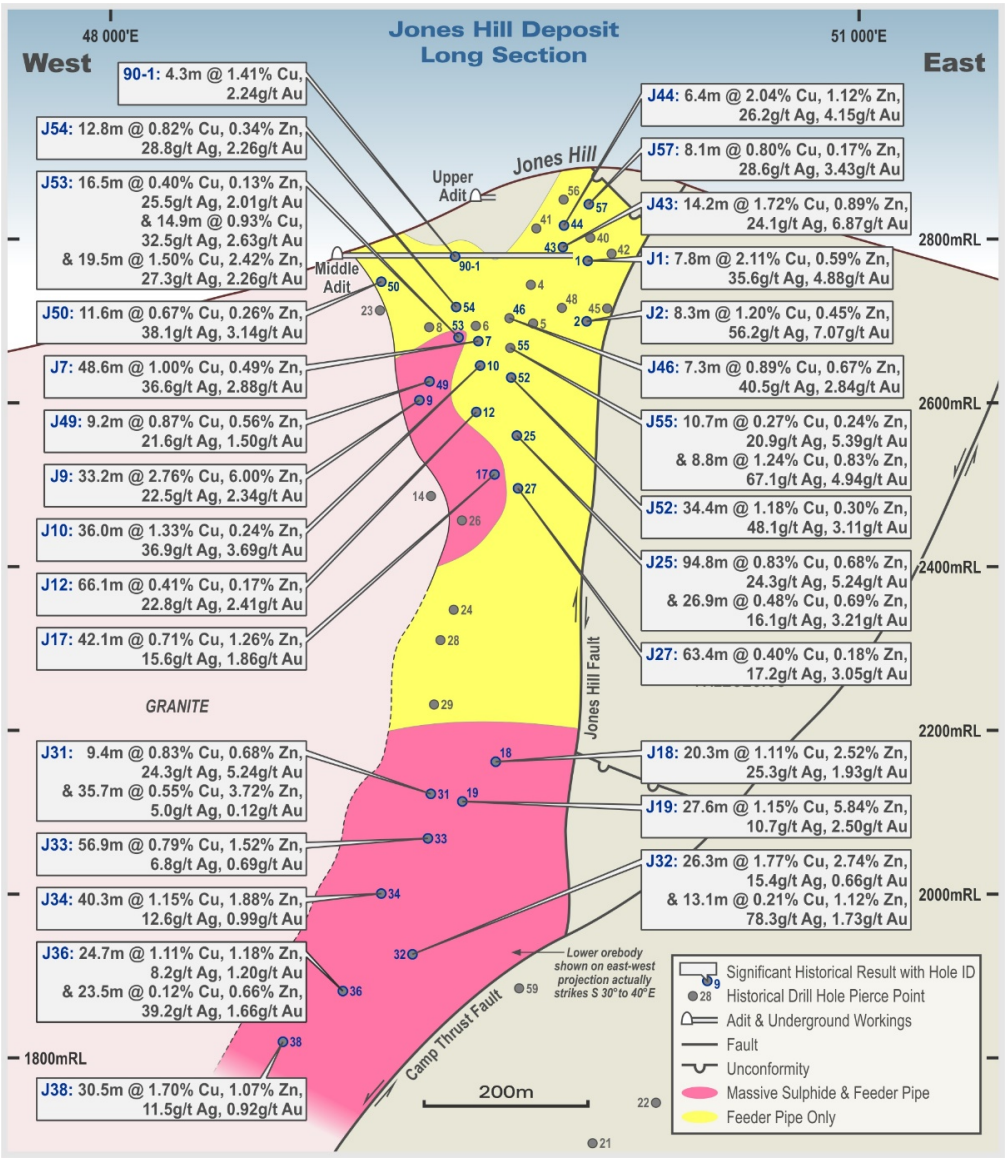

Figure 6. Long section illustrating mineralisation at the Jones Hill Deposit at the Company's Tererro Cu-Au-Zn Project. (Mineralised intervals are down-hole thicknesses and may differ from true thicknesses).

Following completion of the first 39 drill holes (22,129m), in 1981, Conoco Inc. calculated a historical Mineral Resource estimate for the Jones Hill Deposit which comprised:

5.7Mt @ 1.96 g/t Au, 1.02% Cu, 1.46% Zn, 0.24% Pb and 22.0 g/t Ag**

**For further details on the Jones Hill Deposit historic mineral resource estimate, refer to the footnote on page 18 of this report. Refer also further below for details on the Company's proposed work programs, which will include activities aimed at evaluating the historical estimate and determining a mineral resource estimate for the Jones Hill Deposit in accordance with the JORC Code (2012).

Baseline Environmental Data Acquisition

Throughout the past year, the Company continued to collect baseline environmental data across the project area, which is essential for drill permit approvals.

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DIRECTORS' REPORT (continued)

Review of Operations (continued)

Maiden Drilling Program

Applications have been submitted to obtain permits required to commence a maiden drilling program at the Jones Hill Deposit. The Company continues to work with regulators to advance these permit applications.

The initial applications are seeking permission to drill at and around the Jones Hill Deposit, utilising existing roads and historical drill pads in order to minimise disturbance.

The maiden drilling program is designed to:

- facilitate calculation of an inaugural JORC mineral resource estimate; and
- explore for extensions to the Jones Hill Deposit.

Renegotiated Acquisition Terms

During June 2020 the Company entered into amendments to the agreements that provide it the right to acquire a 100% interest in the mining claims that cover the Jones Hill Deposit ("Option"). Modified terms comprise:

1. New World Resources Option has been extended from five (5) years to twelve (12) years;
2. To maintain its Option, New World Resources made a cash payment to the Vendors totalling US$25,000 in lieu of the US$50,000 cash payment that was previously due on or before June 16, 2020;
3. Until New World Resources completes a positive Feasibility Study into the development of a mining operation at Jones Hill, subsequent Annual Cash Payments due to the Vendors on or before June 16 each year will now be US$10,000 (rather than US$50,000 per year);
4. Once New World Resources completes a positive Feasibility Study into the development of a mining operation at Jones Hill, and until New World Resources exercises its Option, subsequent Annual Cash Payments due to the Vendors on or before June 16 each year will be US$20,000 (rather than US$50,000 per year); and
5. Terms for New World Resources to exercise its Option will remain unchanged.

Colson Cobalt-Copper Project, Idaho, USA

New World Resources holds a 100% interest in approximately 4,000 acres at and around the under-explored Salmon Canyon Cobalt-Copper Deposit – covering more than 6km of prospective strike at the northern end of the Idaho Cobalt Belt – the most endowed high-grade cobalt district in the western world (see Figure 7).

Prior to the Company's recent exploration programs, virtually all previous exploration work in the Project area had been focused on the Salmon Canyon Deposit itself; with the last significant work undertaken in the 1970s.

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Review of Operations (continued)

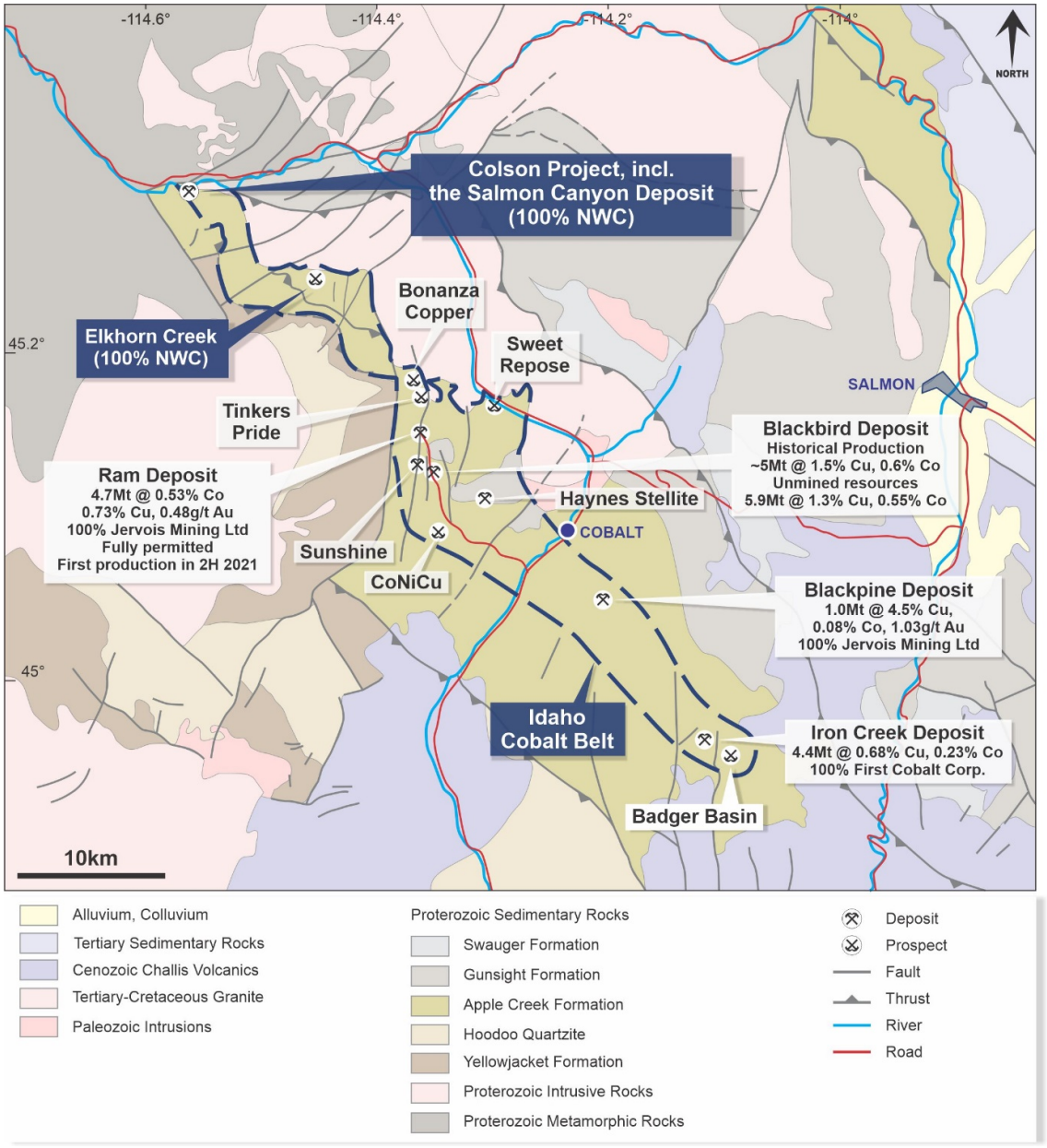

Figure 7. Geology of the Idaho Cobalt Belt, USA, including the location of the Company's Colson Cobalt Project.

The Company delineated extensive soil anomalism over the Salmon Canyon Deposit itself (see Figure 9), and in 2018 an initial program of drilling confirmed the presence of very high-grade cobalt mineralisation at the Deposit, with results including:

- **5.5m @ 0.20% Co and 0.69 g/t Au, including**
  - **0.3m @ 1.26% Co, 0.17% Cu and 2.95 g/t Au; and**
  - **0.7m @ 0.49% Co and 0.30 g/t Au (COLDD1811);**
- **1.1m @ 0.18% Co, 1.43% Cu and 0.74 g/t Au (COLDD1810);**
- **1.6m @ 0.12% Co, 1.42% Cu and 0.77 g/t Au (COLDD1810);**
- **1.3m @ 0.15% Co, 1.18% Cu and 0.56 g/t Au (COLDD1806); and**
- **1.8m @ 0.13% Co, 0.56% Cu and 0.26 g/t Au (COLDD1801)**

DIRECTORS' REPORT (continued)

Review of Operations (continued)

The Company subsequently extended its soil sampling coverage, at which time it delineated a much larger and stronger anomaly at the recently discovered Long Tom Prospect, located approximately 2km along strike from the Salmon Canyon Deposit. Here soil samples returned extremely high assays up to 0.11% Co and 0.39% Cu.

Subsequent IP surveying delineated several strong, coincident IP and soil anomalies along this corridor. Notably there is a moderately-strong IP anomaly over the Salmon Canyon Deposit, so these IP stronger anomalies along-strike are very high-priority exploration targets, as they may comprise thicker and/or higher-grade zones of sulphide-rich cobalt-copper-gold mineralisation (see Figures 8-10).

All permits are in place to undertake a drilling program that will facilitate the initial testing of these, yet-to-be-drilled, targets. But the Company has delayed commencement of drilling until the cobalt price improves.

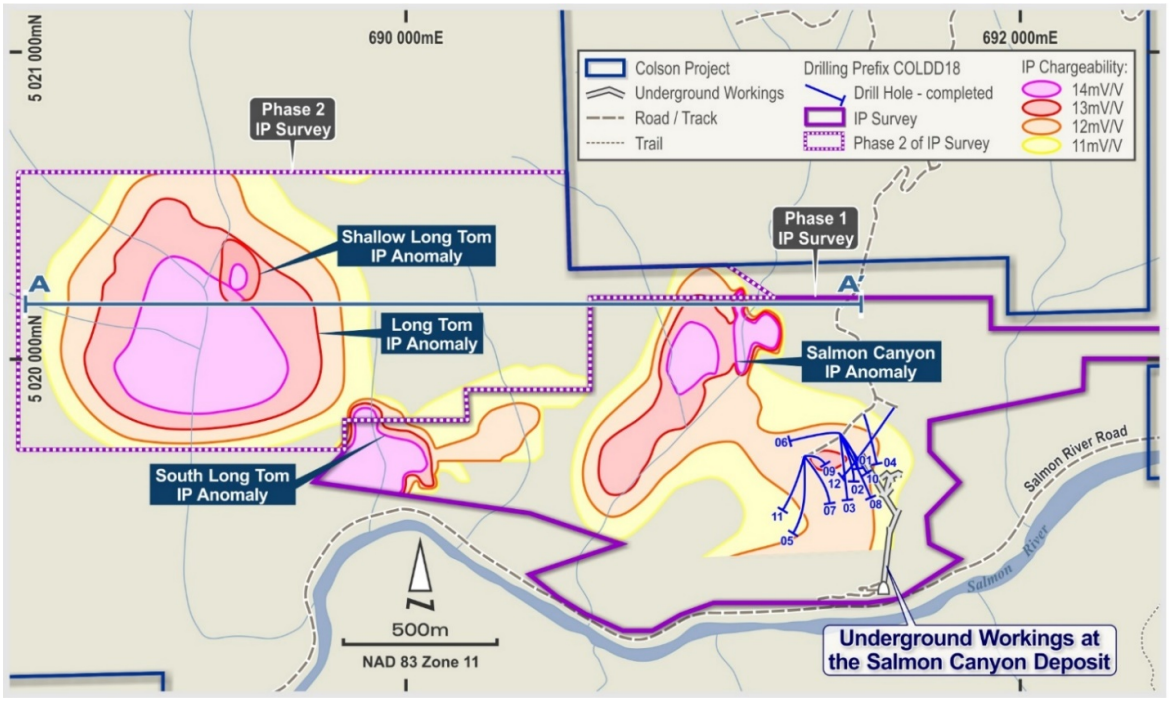

Figure 8. IP anomalies at the Colson Cobalt-Copper Project, relative to the historical underground workings at the Salmon Canyon Deposit and the traces of diamond core holes drilled during 2018 (illustrating the location of Cross Section 5,020,200N presented in Figure 10).

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DIRECTORS' REPORT (continued)

Review of Operations (continued)

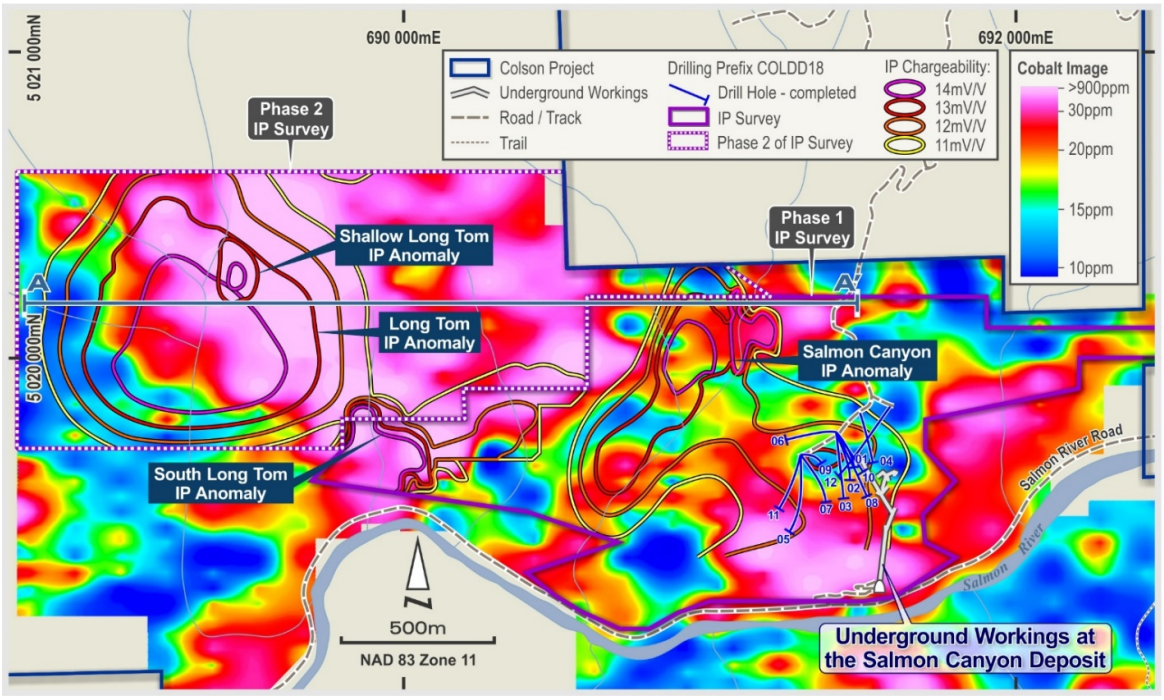

Figure 9. IP anomalies at the Colson Cobalt-Copper Project, relative to cobalt in soil geochemistry anomalism (illustrating the location of Cross Section 5,020,200N presented in Figure 10).

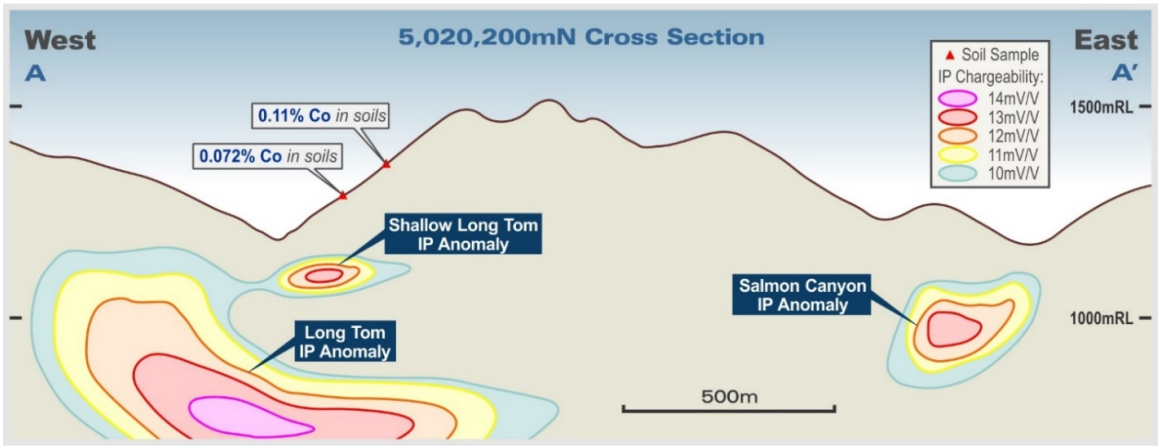

Figure 10. Cross-section 5,020,200N showing the Long Tom, Shallow Long Tom and Salmon Canyon IP anomalies at the Colson Cobalt-Copper Project.

Goodsprings Copper-Cobalt Project, Nevada, USA

The Goodsprings Copper-Cobalt Project is located in southern Nevada and currently comprises:

(i) a 100% interest in 118 Federal mining claims, covering approximately 2,300 acres, that encompass and include several historic copper-cobalt deposits as well as extensions of the geological sequences that host those and other copper-cobalt deposits; and

(ii) the rights to explore and develop a privately-owned 120 acre parcel of land that includes and encompasses the high-grade Columbia Copper-Cobalt Mine ("Columbia Mine").

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DIRECTORS' REPORT (continued)

Review of Operations (continued)

Historic records indicate that shallow mining was undertaken intermittently at the Columbia Mine between 1880 and 1928. Ore was mined predominantly from two inclined shafts located approximately 250 metres apart. These shafts were developed to around 30 metres depth, with stopes up to 6 metres high. The average grade of the mined ore was 12.8% copper. During 1921, 3 parcels of cobalt ore were mined and sold – with individual ore parcels grading 29.18% Co, 13.42% Co and 5.13% Co (weighing 249kg, 1,720kg and 2,190 kg respectively). Historic workings at the Columbia mine extend over more than 500 metres of strike.

The Company's Project area also includes workings at the historical Blue Jay Mine, where, in 1922, more than 0.5 tonnes of ore that contained (on average) 6.37% cobalt were recovered from a waste dump.

Production of high-grade cobalt ore is recorded at several other historical mines within the Goodsprings District, all of which were mined previously with copper as the primary target.

During 2017 and 2018 the Company completed systematic soil sampling over the majority of the project area. Extensive cobalt and copper anomalism is evident across the project. Sixteen coincident cobalt-copper anomalies were ranked "high-priority" targets for further work.

In line with the modest cobalt price that has prevailed during the past 12 months, expenditure on the Goodsprings Project has been minimised, with no substantial field work completed. The Company reduced its land holding somewhat but continues to maintain its rights over its high-priority target areas.

Further work will be implemented when the cobalt price improves.

Corporate

In addition to the activities detailed above, key corporate activities undertaken by the Company during the reporting period were as follows:

- in October 2019 the Company completed a share placement, pursuant to which the Company issued 100,000,000 Shares at an issue price of $0.02 per Shares to raise gross proceeds of $2 million;
- in October 2019, Tony Polglase was appointed as a Non-Executive Director;
- in December 2019, the Company's proposed change of name to New World Resources Limited (formerly New World Cobalt Limited) took effect;
- in May 2020, the Company completed a share placement, pursuant to which the Company issued 113,636,363 Shares at an issue price of $0.011 per Shares to raise gross proceeds of $1.25 million.

ADDITIONAL DISCLOSURE

Qualified and Competent Person

The information in this report that relates to exploration results and the historic resource estimates is based, and fairly reflects, information compiled by Mr Patrick Siglin, who is the Company's Exploration Manager. Mr Siglin is a Registered Member of the Society for Mining, Metallurgy and Exploration. Mr Siglin has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results and Mineral Resources (JORC Code). Mr Siglin consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Previously Reported Results

There is information in this report relating to exploration results which were previously announced on:

- *7 February, 22 March, 6 April, 23 May, 30 July, 5 September, 19 September, and 20 December 2018*
- *23 January and 9 April, 17 June, 31 July and 25 September 2019; and*
- *14 January, 9 and 20 March, 17 and 24 April, 12 May, 3 June, 7, 21 and 28 July, 3 and 31 August and 22 September 2020.*

Other than as disclosed in those announcements, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements.

DIRECTORS' REPORT (continued)

Review of Operations (continued)

Forward Looking Statements

Any forward-looking information contained in this report is based on numerous assumptions and is subject to all of the risks and uncertainties inherent in the Company's business, including risks inherent in mineral exploration and development. As a result, actual results may vary materially from those described in the forward-looking information. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof.

Visual Mineralisation

In relation to the disclosure of visual mineralisation, the Company cautions that this information has been sourced from geological logging and visual observations and should not be considered a proxy or substitute for laboratory analysis. Laboratory assay results are required to determine the widths and grade of the visible mineralisation reported. The Company will update the market when assay results become available, which is expected to be during October 2020.

**Notes to Historical Mineral Resource Estimate for the Antler Deposit:*

1. *Readers are referred to the Company's initial market release dated 14 January 2020 which provides supporting information on the historical resource estimate.*
2. *The Company confirms that the supporting information disclosed in the initial market announcement continue to apply and has not materially changed.*
3. *Readers are cautioned that that this estimate is a "historical estimate" under ASX Listing Rule 5.12 and is not reported in accordance with the JORC Code.*
4. *A Competent Person has not yet undertaken sufficient work to classify the historic estimate as mineral resources or ore reserves in accordance with the JORC Code.*
5. *It is uncertain that, following evaluation and/or further exploration work, it will be possible to report this historical estimate as mineral resources or ore reserves in accordance with the JORC Code.*

*****Notes to Historical Mineral Resource Estimate for the Jones Hill Deposit:***

The historic resource estimate for the Jones Hill Deposit is detailed below:

Table 1. Historic (1981) Mineral Resource estimate for the Jones Hill Deposit.

Zone	Tonnes	Au (g/t)	Cu %	Pb %	Zn %	Ag (g/t)
Upper	*3,649,666*	*2.74*	*0.81*	*0.33*	*0.62*	*27.1*
Lower	*2,134,642*	*0.62*	*1.39*	*0.08*	*2.89*	*11.7*
Total	***5,784,307***	***1.96***	***1.02***	***0.24***	***1.46***	***21.4***

1. *Readers are referred to the Company's initial market release dated 9 April 2019 which provides supporting information on the historical resource estimate.*
2. *The Company confirms that the supporting information disclosed in the initial market announcement continue to apply and has not materially changed.*
3. *Readers are cautioned that that this estimate is a "historical estimate" under ASX Listing Rule 5.12 and is not reported in accordance with the JORC Code.*
4. *A Competent Person has not yet undertaken sufficient work to classify the historic estimate as mineral resources or ore reserves in accordance with the JORC Code.*
5. *It is uncertain that, following evaluation and/or further exploration work, it will be possible to report this historical estimate as mineral resources or ore reserves in accordance with the JORC Code.*

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DIRECTORS' REPORT (continued)

Operating results for the year

The consolidated loss of the Group for the financial year after providing for income tax amounted to $1,216,380 (2019: $7,640,907). The consolidated loss includes an impairment of exploration expenditure of $nil (2019: $5,552,517).

Review of financial conditions

The Company may need to raise further capital during the 2021 financial year to fund its exploration activities and provide general working capital. The ability to access this capital will depend upon the state of financial markets at the time and Company's performance. The Directors of the Company believe that they have the ability to raise additional capital as required through further equity financings.

The impact of coronavirus (COVID-19) pandemic is on-going and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries (particularly USA) such as quarantine requirements, travel restrictions and any economic stimulus that may be provided.

Risk management

The Company has a policy for the oversight and management of material business risks, which is available on the Company's website.

Management determines the Company's risk profile and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. The Board oversees an ongoing assessment of the effectiveness of risk management and internal compliance and control, requiring management to appraise the Board of changing circumstances within the Company and within the international business environment.

Significant changes in the state of affairs

Significant changes in the state of affairs of the Company and the Group during the financial year are detailed in the Review of Operations.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Company and the Group that occurred during the financial year under review not otherwise disclosed in this report or in the financial report.

Significant events after balance date

On 12 August 2020, the Company completed a share placement, which raised gross proceeds of $3.5 million pursuant to the issue of 129,629,630 Shares at an issue price of $0.027 per Share. The proceeds will primarily be used to fund the ongoing exploration and development program at the Antler Project.

On 18 August 2020, the Company advised that it had issued 8,750,000 Shares pursuant to the exercise of 8,750,000 unlisted options, each of which was exercisable at $0.02 on or before 30 June 2022.

On 16 September 2020, the Company advised that it had issued 750,000 Shares pursuant to the exercise of 750,000 unlisted options, each of which was exercisable at $0.0225 on or before 24 January 2021.

On 25 September 2020, the Company advised that it had issued 363,236 Shares as part consideration for the Group's acquisition of the rights to explore and develop the Columbia Copper-Cobalt Mine in Nevada USA.

Apart from the above events there are no matters or circumstances that have arisen since the balance date which significantly affects or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Likely developments and expected results

The Group will continue to implement its strategy of exploring its North American mineral assets. The Group will also consider any suitable acquisition opportunities.

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DIRECTORS' REPORT (continued)

Environmental legislation

The Group carries out operations that are subject to environmental regulations under Federal and State legislation in the USA. The Group has procedures in place to ensure regulations are adhered to. The Group is not aware of any breaches in relation to environmental matters.

Indemnification and insurance of Directors and Officers

The Group has made agreements indemnifying all the Directors and Officers of the Group against all losses or liabilities incurred by each Director or Officer in their capacity as Directors or Officers of the Group to the extent permitted by the *Corporations Act 2001*. The indemnification specifically excludes wilful acts of negligence. The Group paid insurance premiums in respect of Directors' and Officers' Liability Insurance contracts for current Officers of the Group, including Officers of the Group's controlled entities. The liabilities insured are damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Officers in their capacity as officers of entities in the Group. The total amount of insurance premiums paid has not been disclosed due to confidentiality reasons.

Remuneration report (Audited)

This report outlines the remuneration arrangements in place for the key management personnel of the Group for the financial year ended 30 June 2020. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for key management personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the consolidated entities, directly or indirectly, including any Director (whether executive or otherwise) of the parent company, and certain executives.

Key Management Personnel

Directors

Richard Hill (Non-Executive Chairman)
Michael Haynes (Managing Director)
Anthony Polglase (Non-Executive Director) – appointed 17 October 2019
Scott Mison (Non-Executive Director) – resigned 26 November 2019

Company Secretary

Ian Cunningham

Remuneration philosophy
The performance of the Group depends upon the quality of the Directors and executives. The philosophy of the Group in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate performance hurdles for variable executive remuneration.

In the absence of a remuneration committee, the Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The Group did not employ a remuneration consultant during the year ended 30 June 2020.

Remuneration structure
In accordance with best practice Corporate Governance, the structure of Non-Executive Director and Executive remuneration is separate and distinct.

Non-executive Director remuneration
The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

DIRECTORS' REPORT (continued)

Remuneration Report (continued)

The ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be as determined from time to time by a general meeting. The latest determination was at the meeting held on 22 March 2004 when shareholders approved an aggregate remuneration of $200,000 per annum.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers advice from external consultants as well as the fees paid to non-Executive Directors of comparable companies when undertaking the annual review process.

The remuneration of Non-Executive Directors for the year ended 30 June 2020 is detailed on page 22 of this report.

Executive Director and Senior Manager Remuneration

Remuneration consists of fixed and variable components (currently comprising a long-term incentive scheme).

Fixed remuneration currently consists of cash remuneration. Fixed remuneration levels are reviewed annually by the Board, taking into consideration past performance, time commitments, relevant market comparatives and the Company's stage of development. The Board has access to external advice if required.

The Board determines the appropriate form and levels of variable remuneration as and when they consider rewards are warranted. Variable remuneration currently consists of share option grants (long term incentives), which are currently considered to be the most effective and appropriate form of long-term incentives given the Company's financial resources and stage of development. The objective of the option grants is to link the variable remuneration to the achievement of key operational targets and shareholder value creation.

Service Contracts

Mr Richard Hill was appointed non-executive Chairman on 31 October 2017 and receives fixed remuneration of $60,000 per annum for this role. Mr Hill also receives consulting fees of $1,250 per day, based on a minimum of 8 hours service, for any additional executive support consultancy work that he provides.

Mr Michael Haynes provides his services as Managing Director pursuant to a consulting agreement the key terms of which are:

- total fixed consulting fees of $225,000 per annum (inclusive of any superannuation obligations);
- 2 year term , effective 1 November 2018; and
- a three-month notice period is required in order to terminate the agreement.

Other than the consulting agreements with Richard Hill and Michael Haynes, there are no other service contracts currently in place for any of the directors.

Pursuant to his letter of appointment, Mr. Anthony Polglase receives fixed remuneration of $40,000 per annum in the form of Director's fees. No notice period is required should he elect to resign. Mr Polglase also receives consulting fees of $1,500 per day, based on a minimum of 8 hours service, for any additional technical consultancy work that he provides.

Mr Ian Cunningham was appointed Company Secretary on 6 February 2018 and consults to the Company at an average monthly rate of $5,000 (excluding GST). The consulting agreement may be terminated with one months' notice.

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DIRECTORS' REPORT (continued)

Remuneration Report (continued)

Remuneration of Directors

Table 1: Directors' remuneration for the years ended 30 June 2020 and 30 June 2019

		Short-term employee benefits		Equity				
		Salary and fees	Share options	Share options forfeited	Performance rights	Total	Fixed Remuneration	Remuneration linked to performance
		$	$	$	$	$	%	%
Richard Hill	**2020**	**60,000**	**37,713**	**-**	**-**	**97,713**	**61**	**39**
	2019	64,375	-	-	380,000	444,375	14	86
Michael Haynes***	**2020**	**268,333**	**94,282**	**-**	**-**	**362,615**	**74**	**26**
	2019	160,000	-	-	380,000	540,000	30	70
Anthony Polglase*	**2020**	**28,333**	**37,713**	**-**	**-**	**66,046**	**43**	**57**
	2019	-	-	-	-	-	-	-
Scott Mison**	**2020**	**13,750**	**-**	**(31,705)**	**-**	**(17,955)**	**(77)**	**177**
	2019	33,000	30,036	-	-	63,036	52	48
Ian Cunningham	**2020**	**64,746**	**47,141**	**-**	**-**	**111,887**	**58**	**42**
	2019	60,000	-	-	-	60,000	100	-
Totals	**2020**	**435,162**	**216,849**	**(31,705)**	**-**	**620,306**	**70**	**30**
	2019	317,375	30,036	-	760,000	1,107,411	29	71

*Anthony Polglase was appointed as a Director on 17 October 2019.
**Scott Mison resigned as a Director on 26 November 2019.
***Michael Haynes consulting agreement was amended on 31 January 2020, effective 1 November 2018.

No performance rights were granted as remuneration in the current year.

Table 2: Options granted as compensation to key management personnel during the financial year

30 June 2020	Number granted	Grant date	Value per option at grant date $	Value of options at grant date $	Date exercised	Ordinary shares issued on exercise	Vesting and first exercise date	Last exercised date
Richard Hill	6,000,000	29/11/2019	0.006	37,713	-	-	29/11/2019	-
Michael Haynes	15,000,000	29/11/2019	0.006	94,282	-	-	29/11/2019	-
Anthony Polglase	6,000,000	29/11/2019	0.006	37,713	-	-	29/11/2019	-
Ian Cunningham	7,500,000	29/11/2019	0.006	47,141	-	-	29/11/2019	-

Exercised

No options granted as compensation in the current and/or prior year were exercised.

Forfeited/lapsed during the year

No options granted as compensation in the current and/or prior year were forfeited / lapsed.

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DIRECTORS' REPORT (continued)

Remuneration Report (continued)

Option holdings of Key Management Personnel Granted as Remuneration

	Balance at beginning of year	Options exercised	Options expired	Allotment of Options	Balance at end of year	Vested as at end of period: Total	Exercisable	Not Exercisable
30 June 2020 Directors								
Richard Hill	-	-	-	6,000,000	6,000,000	6,000,000	6,000,000	-
Michael Haynes	-	-	-	15,000,000	15,000,000	15,000,000	15,000,000	-
Anthony Polglase	-	-	-	6,000,000	6,000,000	6,000,000	6,000,000	-
Scott Mison[(i)]	1,050,000	-	(700,000)	-	350,000	350,000	350,000	-
Ian Cunningham	-	-	-	7,500,000	7,500,000	7,500,000	7,500,000	-
Total	1,050,000	-	(700,000)	34,500,000	34,850,000	34,850,000	34,850,000	-

	Balance at beginning of period	Options exercised	Options expired	Allotment of Options	Balance at end of period	Vested as at end of period: Total	Exercisable	Not Exercisable
30 June 2019 Directors								
Richard Hill	-	-	-	-	-	-	-	-
Michael Haynes	-	-	-	-	-	-	-	-
Scott Mison [(i)]	1,716,666	(666,666)	-	-	1,050,000	350,000	350,000	-
Ian Cunningham	-	-	-	-	-	-	-	-
Total	1,716,666	(666,666)	-	-	1,050,000	350,000	350,000	-

(i) These options are exercisable in five equal tranches of 70,000 options at prices ranging from $0.1245 to $0.2245 by 13 December 2021.
Details of the valuation basis of these options are disclosed in Note 13 of the financial report.

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DIRECTORS' REPORT (continued)

Remuneration Report (continued)

Shareholdings of Key Management Personnel

	Balance at beginning of year	Granted as remuneration	Net change other	Balance at end of year
30 June 2020				
Directors				
Richard Hill	25,951,682	-	-	25,951,682
Michael Haynes	37,667,305	-	-	37,667,305
Anthony Polglase	-	-	1,700,000	1,700,000
Scott Mison*	2,666,666	-	-	2,666,666
Ian Cunningham	5,418,268	-	477,377	5,895,645
30 June 2020	71,703,921	-	2,177,377	73,881,298

	Balance at beginning of year	Granted as remuneration	Net change other	Balance at end of year
30 June 2019				
Directors				
Richard Hill	13,451,682	-	12,500,000	25,951,682
Michael Haynes	24,667,305	-	13,000,000	37,667,305
Scott Mison	2,000,000	-	666,666	2,666,666
Ian Cunningham	3,870,192	-	1,548,076	5,418,268
30 June 2019	43,989,179	-	27,714,742	71,703,921

*shareholdings held as at the date of their resignation

Other transactions and balances with Key Management Personnel (included in remuneration Table 1)

	2020 $	2019 $
Directors' fees paid to Braeside Minerals Pty Ltd, a company in which Richard Hill is a director	60,000	60,000
Consulting fees paid to Braeside Minerals Pty Ltd, a company in which Richard Hill is a director	-	4,375
Directors' fees paid to Bullseye Geoservices Pty Ltd, a company in which Michael Haynes is a director	268,333	160,000
Directors' fees paid to Kernow Mining Consultants Pty Ltd, a company in which Anthony Polglase is a director	25,333	-
Consulting fees paid to Kernow Mining Consultants Pty Ltd, a company in which Anthony Polglase is a director	3,000	-
Directors' fees paid to Scott Mison	13,750	33,000
Company Secretary fees paid to Vickery Corporate Pty Ltd, a company of which Ian Cunningham is a director	60,000	60,000
Consulting fees paid to Vickery Corporate Pty Ltd, a company of which Ian Cunningham is a director	4,746	-
Serviced office fees paid to MQB Ventures Pty Ltd, a company in which Michael Haynes is a director	111,000	111,000

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

There have been no other transactions with key management personnel.

End of Remuneration Report.

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DIRECTORS' REPORT (continued)

Directors' meetings

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

Director	Board Meetings	
	Number Attended	Number eligible to attend
Richard Hill	5	5
Michael Haynes	5	5
Anthony Polglase	4	4
Scott Mison	1	1

Proceedings on behalf of the Company

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

Auditor independence and non-audit services

Section 307C of the Corporations Act 2001 requires the Group's auditors, Stantons International Audit and Consulting Pty Ltd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the Annual Report. This Independence Declaration is set out on page 26 and forms part of this Directors' Report for the year ended 30 June 2020.

Non-audit services

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

During the financial year ended 30 June 2020, there were no non-audit services provided by the Group's auditors.

Corporate Governance Statement

The Company's 2020 Corporate Governance Statement has been released as a separate document and is located on our website at: www.newworldresources.com

Signed in accordance with a resolution of the Directors.

Richard Hill
Non-Executive Chairman
30 September 2020

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Stantons International Audit and Consulting Pty Ltd
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30 September 2020

Board of Directors
New World Resources Limited
1/100 Railway Road
Subiaco, WA 6008

Dear Directors

RE: NEW WORLD RESOURCES LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of New World Resources Limited.

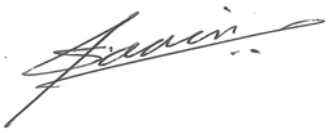
As Audit Director for the audit of the financial statements of New World Resources Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(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.

Yours sincerely

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



Samir Tirodkar
Director

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

	Notes	Consolidated 2020 $	Consolidated 2019 $
Revenue	2(a)	1,623	3,019
Depreciation expense	9	-	-
Write-off of exploration expenditure	10	-	(1,488,440)
Provision for impairment	10	-	(4,064,077)
Other expenses	2(b)	(1,218,003)	(2,091,409)
Loss before income tax expense		**(1,216,380)**	**(7,640,907)**
Income tax expense	3	-	-
Net loss for the year		**(1,216,380)**	**(7,640,907)**
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss:			
Changes in fair value of financial assets – fair value OCI	8	(45,333)	(46,667)
Items which may subsequently be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		57,139	483,050
Total comprehensive loss for the year		**(1,204,574)**	**(7,204,524)**
Loss attributable to:			
Owners of the parent		(1,216,380)	(7,640,907)
Total loss for the year		**(1,216,380)**	**(7,640,907)**
Total comprehensive loss attributable to:			
Owners of the parent		(1,204,574)	(7,204,524)
Total comprehensive loss for the year		**(1,204,574)**	**(7,204,524)**
Basic and diluted loss per share (cents per share) from continuing operations	5	(0.14)	(1.40)

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Notes	Consolidated 2020 $	Consolidated 2019 $
Current Assets			
Cash and cash equivalents	6	1,001,789	1,739,385
Trade and other receivables	7	209,942	115,255
Prepayments		25,195	71,009
Total Current Assets		**1,236,926**	**1,925,649**
Non-Current Assets			
Financial assets – fair value OCI	8	94,667	140,000
Property, plant and equipment	9	-	-
Exploration and evaluation expenditure	10	17,400,120	14,419,158
Total Non-Current Assets		**17,494,787**	**14,559,158**
Total Assets		**18,731,713**	**16,484,807**
Current Liabilities			
Trade and other payables	11	374,823	226,872
Total Current Liabilities		**374,823**	**226,872**
Total Liabilities		**374,823**	**226,872**
Net Assets		**18,356,890**	**16,257,935**
Equity			
Issued capital	12	85,775,972	82,960,305
Reserves	13	12,183,625	11,683,957
Accumulated losses	13	(79,602,707)	(78,386,327)
Total equity attributable to the owners of the parent		18,356,890	16,257,935
Total Equity		**18,356,890**	**16,257,935**

The accompanying notes form part of these financial statements.

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

Consolidated	Issued Capital	Accumulated Losses	Option Reserve	Share Based Payment Reserve	Performance Rights Reserve	Fair Value Reserve	Foreign exchange Reserve	Attributable to owners of the parent	Total
	$	$	$	$	$	$	$	$	$
Balance as at 1 July 2018	**75,805,015**	**(70,745,420)**	**8,378,799**	**2,479,560**	**1,640,000**	**-**	**96,605**	**17,654,559**	**17,654,559**
Loss for the year	-	(7,640,907)	-	-	-		-	(7,640,907)	(7,640,907)
Changes in fair value of financial assets – fair value OCI	-	-	-	-	-	(46,667)	-	(46,667)	(46,667)
Exchange differences on translation of foreign operations	-	-	-	-	-		483,050	483,050	483,050
Total Comprehensive (loss)/income for the year	**-**	**(7,640,907)**	**-**	**-**	**-**	**(46,667)**	**483,050**	**(7,204,524)**	**(7,204,524)**
Perf. Rights converted to shares during the year	-	-	-	-	(1,640,000)	-	-	(1,640,000)	(1,640,000)
Options issued during the year	-	-	-	292,610	-	-	-	292,610	292,610
Shares issued during the year	7,631,894	-	-	-	-	-	-	7,631,894	7,631,894
Share issue costs	(476,604)	-	-	-	-	-	-	(476,604)	(476,604)
Balance as at 30 June 2019	**82,960,305**	**(78,386,327)**	**8,378,799**	**2,772,170**	**-**	**(46,667)**	**579,655**	**16,257,935**	**16,257,935**
Balance as at 1 July 2019	**82,960,305**	**(78,386,327)**	**8,378,799**	**2,772,170**	**-**	**(46,667)**	**579,655**	**16,257,935**	**16,257,935**
Loss for the year	-	(1,216,380)	-	-	-	-	-	(1,216,380)	(1,216,380)
Changes in fair value of financial assets – fair value OCI	-	-	-	-	-	(45,333)	-	(45,333)	(45,333)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	57,139	57,139	57,139
Total Comprehensive (loss)/income for the year	**-**	**(1,216,380)**	**-**	**-**	**-**	**(45,333)**	**57,139**	**(1,204,574)**	**(1,204,574)**
Options issued during the year	-	-	-	519,567	-	-	-	519,567	519,567
Options lapsed during the year	-	-	-	(31,705)	-	-	-	(31,705)	(31,705)
Shares issued during the year	3,274,888	-	-	-	-	-	-	3,274,888	3,274,888
Share issue costs	(459,221)	-	-	-	-	-	-	(459,221)	(459,221)
Balance as at 30 June 2020	**85,775,972**	**(79,602,707)**	**8,378,799**	**3,260,032**	**-**	**(92,000)**	**636,794**	**18,356,890**	**18,356,890**

The accompanying notes form part of these financial statements.

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

	Notes	Consolidated 2020 $	Consolidated 2019 $
Cash Flows from Operating Activities			
Payments to suppliers and employees		(743,125)	(1,582,446)
Reclamation bond		-	(3,509)
Security deposits		(110,982)	-
Interest received		1,623	3,019
Net cash (used in) operating activities	6(ii)	(852,484)	(1,582,936)
Cash Flows from Investing Activities			
Payments for exploration and evaluation		(2,915,782)	(3,243,683)
Net cash (used in) investing activities		(2,915,782)	(3,243,683)
Cash Flows from Financing Activities			
Proceeds from issue of shares		3,250,000	4,378,097
Payment for share issue costs		(219,356)	(280,228)
Net cash provided by financing activities		3,030,644	4,097,869
Net decrease in cash and cash equivalents		(737,596)	(728,750)
Cash and cash equivalents at the beginning of the year		1,739,385	2,468,135
Cash and Cash Equivalents at the End of the Year	6(i)	**1,001,789**	**1,739,385**

The accompanying notes form part of these financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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

The financial statements comprise the financial statements for the consolidated entity ("Group") consisting of the Company and its controlled entities. For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity.

Except for cashflow information, the consolidated financial report has been prepared on an accrual basis and are based on historical cost, modified where applicable by the measurement at fair value of select non-current assets, financial assets and financial liabilities.

The accounting policies detailed below have been consistently applied to all years presented unless otherwise stated. The financial statements are for the Group.

The financial report is presented in Australian dollars.

The Company is a listed public company, incorporated in Australia and operating in Australia and North America. The entity's principal activities are exploration of mineral resources.

(b) New and amended standards adopted by the Group for these financial statements

The Group has considered the application of new standards and amendments for the first time in the annual reporting period commencing 1 July 2019.

AASB 16: *Leases*
The Group has adopted AASB16: Leases using modified retrospective approach with the cumulative effect of initially applying AASB 16 recognised as at 1 July 2019. In accordance with AASB 16, the comparatives for 2019 reporting period have not been restated. The impact of the adoption of this Standard and the respective accounting policies is disclosed below.

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

The adoption of AASB 16 does not have a significant impact on the consolidated financial statements as the Group's leases are short term leases.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) New and amended standards adopted by the Group for these financial statements (continued)

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

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

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

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

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

AASB 112 *Income Taxes*
The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. When the entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period.

Since the Group has not previously and is unlikely to pay a dividend in the near future these amendments had no impact on the consolidated financial statements of the Group.

Accounting standards not yet effective
A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these financial statements. The Board expects no impact on the financial statements of the Group.

(c) Statement of compliance

The financial report was authorised for issue on 30 September 2020.

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group consisting of the Company and its controlled entities as at 30 June 2020 and the results of all controlled entities for the year then ended.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Controlled entities are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

Business combinations have been accounted for using the acquisition method of accounting.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the controlled entity. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of New World Resources Limited.

When the Group loses control of a controlled entities, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 'Financial Instruments: Recognition and Measurement' or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Share-based payment transactions
The Group 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 is determined by an external valuer using a Black and Scholes model, using the assumptions detailed in Note 13.

The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Black and Scholes formula taking into account the terms and conditions upon which the instruments were granted, as discussed in Note 13.

Exploration and evaluation costs carried forward
In accordance with accounting policy note 1(v), management determines when an area of interest should be abandoned. When a decision is made that an area is not commercially viable, all costs that have been capitalised in respect of those areas of interest are written off. In determining this, certain assumptions including the maintenance of title, ongoing expenditure and prospectivity are made.

(f) Going concern

The consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Group's assets and the discharge of its liabilities in the normal course of business.

As at 30 June 2020, the Group had cash and cash equivalents of $1,001,789. For the financial year ended 30 June 2020, the Group incurred a loss of $1,216,380 and a net cash outflow from operating activities of $852,484.

The Board considers that the Group is a going concern and recognises that additional funding may be required to ensure that it can continue to fund its operations and further develop its mineral exploration and evaluation assets during the twelve month period from the date of this report. Such additional funding as occurred during the year ended 30 June 2020, as disclosed in Note 12, and as occurred subsequent to balance date as disclosed in Note 18, can be derived from either one or a combination of the following:

- Raising additional equity capital to fund the Group's ongoing exploration and development program and working capital requirements, as and when required;
- The sale of its mineral interests; and / or
- The successful commercial exploitation of the Group's mineral interests.

Accordingly, the Directors believe that subject to prevailing equity market conditions, the Group will be able to obtain sufficient funding to enable it to continue as a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial report.

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of New World Resources Limited.

(h) Foreign currency translation

Both the functional and presentation currency of the Company and its Australian controlled entities is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at balance date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

In addition, in relation to the partial disposal of a subsidiary that does not result in the Group losing control over the controlled entity, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

(i) Revenue recognition

Revenue is recognised when a performance obligation in the contract with customer is satisfied or when the control of the goods or services underlying the particular performance obligation is transferred to the customer.

Interest income
Income is recognised as the interest accrues (using the effective interest method, which is the rate exactly discounts estimated future cash flow receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(j) Borrowing costs

Borrowing costs are capitalised that are directly attributable to the acquisition, construction or production of qualifying assets where the borrowing cost is added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods 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 balance date.

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

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

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

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

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance 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 balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset 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 balance 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Income tax (continued)

Tax consolidation legislation

New World Cobalt Limited and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation. Current and deferred tax amounts are accounted for in each individual entity as if each entity continued to act as a taxpayer on its own.

The Company recognises both its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax-consolidated entities are recognised as amounts payable or receivable from or payable to other entities in the Group. Any difference between the amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) controlled entities in the tax consolidated group.

(l) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST and VAT except:

- when the GST or VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST or VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST and VAT included.

The net amount of GST and VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position.

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

Commitments and contingencies are disclosed net of the amount of GST or VAT recoverable from, or payable to, the taxation authority.

(m) Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Impairment of non-financial assets (continued)

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

(n) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

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

(o) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

(p) Financial instruments

i) Financial assets

Initial recognition and measurement

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Financial instruments (continued)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The Group's financial assets at amortised cost includes trade and other receivables.

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and;
- 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

Financial assets at fair value through OCI (debt instruments)

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

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and
- 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.

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

The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

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

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Financial instruments (continued)

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Financial instruments (continued)

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial Liabilities

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

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by AASB 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Financial instruments (continued)

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(q) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and equipment	2.5 years to 8 years

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

Derecognition and disposal
An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(r) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(s) Share-based payment transactions

(i) Equity settled transactions:
The Group provides benefits to employees and consultants (including senior executives) of the Group in the form of share-based payments, whereby employees and consultants render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of equity-settled transactions with employees and consultants is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model or the binomial option valuation model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the Company's shares (market conditions) if applicable.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Share-based payment transactions (continued)

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees or consultants become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects:

(i) the extent to which the vesting period has expired; and
(ii) the Group's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings/loss per share.

(t) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(u) Earnings/loss per share

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

Diluted earnings/loss per share is calculated as net profit or loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Exploration and evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

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

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(w) Parent Entity Financial Information

The financial information for the parent entity New World Resources Limited, disclosed in Note 17 has been prepared on the same basis as the consolidated financial statements, except as below;

(i) Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the parent entity's financial statements. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

(ii) Share-based payments

The grant by the company of options over its equity instruments to the employees of and consultants to subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2: REVENUE AND EXPENSES

	Consolidated 2020 $	Consolidated 2019 $
(a) Revenue		
Interest income	1,623	3,019
	1,623	3,019
(b) Expenses		
Options issued	247,997	96,234
Performance rights issued	-	760,000
Administration costs	306,466	488,947
Auditor's remuneration	33,050	38,685
Marketing and travel costs	211,889	282,927
Other	418,601	424,616
	1,218,003	2,091,409

NOTE 3: INCOME TAX EXPENSE

	Consolidated 2020 $	Consolidated 2019 $
The major components of tax benefit for the years ended 30 June 2020 and 30 June 2019 are:		
Income tax expense	-	-
Income tax expense reported in the statement of comprehensive income	-	-
A reconciliation of income tax expense applicable to accounting loss before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate for the years ended 30 June 2020 and 30 June 2019 is as follows:		
Loss before income tax expense	(1,216,380)	(7,640,907)
At the statutory income tax rate of 30% (2019: 30%)	(364,914)	(2,292,272)
Add:		
Non-deductible expenses	22	1,665,755
Current year tax loss not brought to account as a deferred tax asset	364,892	626,517
Income tax expense reported in the statement of comprehensive income	-	-
Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in respect of the following items:		
Capital raising costs	366,799	105,345
Trade and other payables	6,000	6,000
Tax losses	5,322,558	4,957,666
	5,695,357	5,069,011
Unrecognised deferred tax liabilities		
Deferred tax liabilities have not been recognised in respect of the following items:		
Capitalised exploration costs	5,220,036	4,325,747
	5,220,036	4,325,747

The tax losses do not expire under current legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 4: SEGMENT REPORTING

Description of segments

During the year, the consolidated entity operated predominantly in Australia and the USA and in one business segment being, mineral mining and exploration and substantially all of the entity's resources are deployed for this purpose.

Reporting segments disclosed are Australia and USA. Reporting segments were determined based on areas of operation.

Segment information

The following tables present revenue and loss information and certain asset and liability information regarding business segments for the years ended 30 June 2020 and 30 June 2019.

	Australia $	USA $	Consolidated $
Year ended 30 June 2020			
Revenue			
Other revenue	1,623	-	1,623
Total segment revenue	**1,623**	**-**	**1,623**
Segment net operating (loss) after tax	**(1,111,307)**	**(105,073)**	**(1,216,380)**
Share based payment	**(247,996)**	**-**	**(247,996)**
Segment assets	**8,198,114**	**10,533,599**	**18,731,713**
Segment liabilities	**(40,167)**	**(334,656)**	**(374,823)**
Acquisition of non-current assets	-	2,832,167	2,832,167
Year ended 30 June 2019			
Revenue			
Other revenue	3,019	-	3,019
Total segment revenue	**3,019**	**-**	**3,019**
Segment net operating (loss) after tax	**(6,793,090)**	**(847,817)**	**(7,640,907)**
Write-off and Impairment of exploration expenditure	(4,831,937)	(720,580)	(5,552,517)
Share based payment	(96,234)	-	(96,234)
Segment assets	**8,941,275**	**7,543,532**	**16,484,807**
Segment liabilities	**(147,534)**	**(79,338)**	**(226,872)**
Acquisition of non-current assets	58,941	3,851,872	3,910,813

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 5: LOSS PER SHARE

	Consolidated 2020 cents per share	Consolidated 2019 cents per share
Basic and diluted loss per share:		
Continuing operations	(0.14)	(1.40)
Total basic and diluted loss per share	(0.14)	(1.40)

	2020 $	2019 $
The loss and weighted average number of ordinary shares used in the calculation of basic and diluted loss per share is as follows:		
Loss from continuing operations	(1,216,380)	(7,640,907)
	No.	No.
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	864,049,043	547,038,966

The share options and performance rights outstanding as at 30 June 2020 have no impact on the calculation of loss per share as they are anti-dilutive. These options and performance rights could potentially dilute basic EPS in the future.

NOTE 6: CASH AND CASH EQUIVALENTS

	Consolidated 2020 $	Consolidated 2019 $
Cash at bank and on hand	1,001,789	1,739,385
	1,001,789	1,739,385

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

(i) Reconciliation to Consolidated Statement of Cash Flows
For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at bank net of outstanding bank overdrafts (if any).

Cash and cash equivalents as shown in the consolidated statement of cash flows is reconciled to the related items in the consolidated statement of financial position as follows:

	Consolidated 2020 $	Consolidated 2019 $
Cash and cash equivalents	1,001,789	1,739,385

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 6: CASH AND CASH EQUIVALENTS (continued)

(ii) Reconciliation of loss for the year to net cash flows used in operating activities

	Consolidated	
	2020 $	2019 $
Loss after income tax	(1,216,380)	(7,640,907)
Depreciation	-	-
Write off of exploration expenditure	-	1,488,440
Provision for impairment of exploration expenditure	-	4,064,077
Share based payments	247,997	856,234
Foreign exchange loss	22,229	(176,352)
Increase in trade and other receivables	(48,873)	(40,849)
Increase/(decrease) in trade and other payables	142,543	(133,579)
Net cash flows used in operating activities	(852,484)	(1,582,936)

NOTE 7: TRADE AND OTHER RECEIVABLES

	Consolidated	
	2020 $	2019 $
Other receivables		
- GST recoverable	31,964	48,260
- Other debtors	177,978	66,995
	209,942	115,255

Due to nature of the above receivables an aging is not presented. The receivables are not past their contractual terms nor past due.

NOTE 8: FINANCIAL ASSETS – FAIR VALUE OCI

	Consolidated	
	2020 $	2019 $
At beginning of year	140,000	-
Additions	-	186,667
Changes in fair value	(45,333)	(46,667)
At end of year	94,667	140,000

Financial assets – fair value OCI, consist of investments in ASX listed company. The fair value of current financial assets has been determined directly by reference to published price quotations in an active market. This resulted in a net loss on revaluation of $45,333 at 30 June 2020 (2019: $46,667), recognised in other comprehensive income.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	Plant and equipment	Total
	$	$
At 30 June 2020		
Cost	62,212	62,212
Accumulated depreciation	(62,212)	(62,212)
Net carrying amount	-	-

	Consolidated	
	Plant and equipment	Total
	$	$
At 30 June 2019		
Cost	62,212	62,212
Accumulated depreciation	(62,212)	(62,212)
Net carrying amount	-	-

The useful lives of the assets were estimated as follows for both 2020 and 2019:
Plant and equipment 2.5 to 8 years

All plant and equipment have been fully depreciated since prior year.

NOTE 10: EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2020	2019
	$	$
Costs carried forward in respect of:		
Exploration and evaluation phase - at cost		
Balance at beginning of the year	14,419,158	15,401,460
Expenditure incurred	2,832,167	3,910,813
Expenditure written off (i)	-	(1,488,440)
Provision for impairment (ii)	-	(4,064,077)
Net exchange differences on translation	148,795	659,402
Total exploration expenditure	17,400,120	14,419,158

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

(i) During the 2019 financial year, exploration expenditure of $1,488,440 for Badger Basin, Hazelton, Grapevine, Iron Dyke, Kimberley and Fraser Range Projects was written off.

(ii) During the 2019 financial year, an impairment assessment on the Liaz acquisition resulted in a provision for impairment of $4,064,077.

NOTE 11: TRADE AND OTHER PAYABLES

	Consolidated	
	2020	2019
	$	$
Trade and other payables (i)	188,403	150,338
Sundry payables and accrued expenses	186,420	76,534
	374,823	226,872

(i) Trade payables are non-interest bearing and are normally settled on 30 day terms.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 12: ISSUED CAPITAL

Issued Capital
Movements in issued capital were as follows:

	Consolidated	
	2020	2019
	$	$
986,823,803 (2019: 772,123,925) ordinary shares issued and fully paid	89,621,899	86,347,011
Share issue costs	(3,845,927)	(3,386,706)
	85,775,972	82,960,305

	2020		2019	
Movement in ordinary shares on issue	No.	$	No.	$
Balance at beginning of financial year	**772,123,925**	**86,347,011**	**456,024,105**	**78,715,117**
Shares issued on exercise of options (a)	-	-	43,440,683	2,172,034
Shares issued in consideration for Salmon Canyon (b)	-	-	30,287,157	763,704
Shares issued in consideration for Badger Basin (c)	-	-	1,371,213	70,093
Shares issued in relation to the acquisition of West Kimberley (d)	-	-	394,477	20,000
Shares issued in conversion of performance rights (e)	-	-	20,000,000	2,400,000
Shares issued pursuant to rights issue (f)	-	-	220,606,290	2,206,063
Shares issued in relation to West Kimberley (g)	408,396	10,000	-	-
Shares issued pursuant to placement (h)	100,000,000	2,000,000	-	-
Shares issued in consideration for Columbia Mine (i)	655,119	14,888	-	-
Shares issued pursuant to placement (j)	113,636,363	1,250,000	-	-
Balance at end of the financial year	**986,823,803**	**89,621,899**	**772,123,925**	**86,347,011**

(a) The Company issued 43,440,683 Shares in July and August 2018 in relation to the exercise of options.
(b) The Company issued (i) 9,962,449 Shares in August 2018; and (ii) a further 20,324,708 Shares in January 2019, in relation to the acquisition of the Salmon Canyon Deposit.
(c) The Company issued 1,371,213 Shares in October 2018 in relation to the acquisition of the Badger Basin Project.
(d) The Company issued 394,477 Shares in October 2018 in relation to the acquisition of the West Kimberley Project.
(e) The Company issued 20,000,000 Shares in November 2018 in relation to the conversion of performance rights.
(f) The Company issued 220,606,290 Shares at an issue price of $0.01 per Share in May 2019, pursuant to a non-renounceable rights issue.
(g) The Company issued 408,396 Shares in August 2019, being the final consideration payable in relation to its acquisition of the West Kimberley Project.
(h) The Company issued 100,000,000 Shares at an issue price of $0.02 per share in October 2019, pursuant to a placement.
(i) The Company issued 655,119 Shares in October 2019, being part consideration for the rights to explore and develop the Columbia Mine.
(j) The Company issued 113,636,363 Shares at an issue price of $0.011 per share in May 2020, pursuant to a placement.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 12: ISSUED CAPITAL (continued)

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Performance Shares
Movements in performance shares were as follows:

	Consolidated	
	2020	2019
	$	$
Nil (2019: Nil) performance shares issued and fully paid	-	-
	-	-

	2020		2019	
Movement in ordinary shares that are unissued	No.	$	No.	$
Balance at beginning of financial year	**-**	**-**	**1,133,334**	**-**
Performance shares cancelled	-	-	(1,133,334)	-
Balance at end of the financial year	**-**	**-**	**-**	**-**

The performance shares were forfeited during the 2019 financial year and subsequently cancelled on 30 November 2018, following receipt of requisite shareholder approval.

NOTE 13: ACCUMULATED LOSSES AND RESERVES

Accumulated Losses
Movements in accumulated losses were as follows:

	Consolidated	
	2020	2019
	$	$
Balance at the beginning of the financial year	(78,386,327)	(70,745,420)
Net loss for the year	(1,216,380)	(7,640,907)
Balance at the end of the financial year	(79,602,707)	(78,386,327)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 13: ACCUMULATED LOSSES AND RESERVES (continued)

	Consolidated 2020 No.	Consolidated 2019 No.
Option Reserve		
Movement in options over ordinary shares on issue		
Balance at the beginning of the financial year	48,883,334	56,574,557
Issue of employee options	17,500,000	750,000
Issue of director options	27,000,000	-
Issue of underwriter options	-	35,000,000
Issue of placement options	25,000,000	-
Issue of broker options	40,000,000	-
Options exercised	-	(43,440,683)
Lapse of options	(11,950,000)	-
Rounding on options exercised	-	(540)
Balance at the end of the financial year	146,433,334	48,883,334

	Consolidated 2020 $	Consolidated 2019 $
Option Reserve		
Balance at the beginning and end of the financial year	8,378,799	8,378,799

	Consolidated 2020 $	Consolidated 2019 $
Share Based Payments Reserve		
Balance at the beginning of the financial year	2,772,170	2,479,560
750,000 unlisted employee options exercisable at 12.5 cents on or before 13 December 2019	-	41,595
1,050,000 unlisted director options exercisable at 12.5, 15, 17.5, 20 and 22.5 cents on or before 13 December 2021	-	30,036
500,000 unlisted consultant options exercisable at 12.5 cents on or before 13 December 2019	-	18,186
750,000 unlisted employee options exercisable at 2.25 cents on or before 24 January 2021	-	6,417
35,000,000 unlisted underwriter options exercisable at 2 cents on or before 30 June 2022	-	196,376
40,000,000 unlisted broker options exercisable at 4 cents on or before 27 September 2022*	239,865	-
27,000,000 unlisted director options exercisable at 4 cents on or before 28 November 2022	169,707	-
17,500,000 unlisted employee options exercisable at 4 cents on or before 28 November 2022	109,995	-
Lapse of options	(31,705)	-
Balance at the end of the financial year	3,260,032	2,772,170

*Share -based payment expense of $239,865 was recognised as capital raising cost.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 13: ACCUMULATED LOSSES AND RESERVES (continued)

	Consolidated 2020 $	2019 $
Foreign Currency Translation Reserve		
Balance at the beginning of the financial year	579,655	96,605
Currency translation differences	57,139	483,050
Balance at the end of the financial year	636,794	579,655
Performance Rights Reserve		
Balance at the beginning of the financial year	-	1,640,000
Performance rights lapsed	-	-
Performance rights issued	-	760,000
Performance rights converted	-	(2,400,000)
Balance at the end of the financial year	-	-
Fair Value Reserve		
Changes in fair value of financial assets – fair value OCI	(92,000)	(46,667)
Total Reserves	12,183,625	11,683,957

Nature and purpose of reserves

Share based payments reserve

This reserve is used to record the value of equity benefits provided to third parties, employees and directors in consideration for the acquisition of assets or services.

Option reserve

This reserve is used to record the amounts received from option holders when the options are issued.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations. It is also used to record the effect of foreign exchange variations or net investments in foreign operations on consolidation.

Performance rights reserve

This reserve is used to record the value of performance rights benefits provided to third parties, employees and directors in consideration for the acquisition of assets or services.

Fair value reserve

This reserve is used to record the value of changes in the financial assets that are classified as fair value through other comprehensive income. Amounts are not reclassified to profit or loss when the associated assets are sold.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 13: ACCUMULATED LOSSES AND RESERVES (continued)

Share-based payment transactions
The following share based payment arrangements were in place during the current and prior periods:

	Number	Grant date	Expiry date	Exercise price $	Fair value at grant date
Class I unlisted options	350,000	13 December 2017	13 December 2021	0.1245, 0.1495, 0.1745, 0.1995 and 0.225	$24,029
Class I unlisted options	750,000	25 January 2019	24 January 2021	0.0225	$6,417
Underwriter options	35,000,000	27 May 2019	30 June 2022	0.02	$196,377
Placement and broker options	40,000,000	29 November 2019	27 September 2022	0.02	$239,865
Placement options	25,000,000	4 October 2019	27 September 2022	0.02	$nil
Class I unlisted options	44,500,000	29 November 2019	28 November 2022	0.04	$279,702

The fair value of the equity settled share options granted is estimated as at the date of grant using the Black and Scholes option valuation method taking into account the terms and conditions upon which the options were granted as follows:

2020
The following share options were issued during the year in relation to the provision of services to the Company:

- 40,000,000 unlisted options were issued at 4 cents exercisable on or before 27 September 2022.
- 25,000,000 unlisted options were issued at 4 cents exercisable on or before 27 September 2022.
- 44,500,000 unlisted options were issued at 4 cents exercisable on or before 28 November 2022.

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. The options were valued using the Black and Scholes option valuation method with the following inputs:

- Expected volatility 100%
- Risk free interest rate 0.59% and 0.65%

All other inputs relate to the Company's share price at the date of grant and the expiry date of the options.

The following table illustrates the number (No.) and weighted average exercise prices of and movements in share options issued during the year:

	2020 No.	2020 average exercise price	2019 No.	2019 Weighted average exercise price
Outstanding at the beginning of the year	48,883,334	4 cents	56,574,557	6 cents
Granted during the year	109,500,000	4 cents	35,750,000	2 cents
Exercised during the year	-		(43,440,683)	5 cents
Lapsed during the year	(11,950,000)	10.7 cents	-	-
Expired during the year	-		(540)	5 cents
Outstanding at the end of the year	146,433,334	4 cents	48,883,334	4 cents

The weighted average remaining contractual life for the share options outstanding as at 30 June 2020 is 2.22 years (2019: 2.44 years).

No options were exercised during the year (2019: 43,440,683).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 13: ACCUMULATED LOSSES AND RESERVES (continued)

The following table illustrates the number (No.) and movements in performance rights during the current and prior periods:

	2020 No.	2019 No.
Outstanding at the beginning of the year	-	20,000,000
Converted during year (a)	-	(20,000,000)
Outstanding at the end of the year	-	-

(a) In November 2018, 20,000,000 Performance Rights were converted to Ordinary Shares to the Company's Non-Executive Chairman and Managing Director as part of their remuneration package.

	Number	Deemed grant date	Expiry date	Fair value at grant date
Managing Director performance rights	10,000,000	1 November 2017	1 November 2018	$1,200,000
Non-Executive Director performance rights	10,000,000	1 November 2017	1 November 2018	$1,200,000

Each Performance Right will convert into a fully paid Ordinary Share on a 1 for 1 basis subject to a 12 month continuous service vesting condition (accelerated on a change of control event to allow the holder to participate in the relevant transaction).

The following table illustrates the number (No.) and movements in performance rights issued during the year:

	2020		2019	
Movement in performance rights	No.	$	No.	$
Balance at beginning of financial year	**-**	**-**	**20,000,000**	**1,640,000**
Managing Director performance rights converted	-	-	(10,000,000)	(820,000)
Non-Executive Chairman performance rights converted	-	-	(10,000,000)	(820,000)
Balance at end of the financial year	**-**	**-**	**-**	**-**

NOTE 14: FINANCIAL INSTRUMENTS

(a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group's overall strategy remains unchanged from 2019.

The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated losses.

None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax and general administrative outgoings.

Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 14: FINANCIAL INSTRUMENTS (continued)

(b) Categories of financial instruments

	Consolidated	
	2020 $	2019 $
Financial assets		
Cash and cash equivalents	1,001,789	1,739,385
Receivables	209,942	115,255
Financial assets – fair value OCI	94,667	140,000
Financial liabilities		
Trade and other payables	374,823	226,872

At the balance date there are no significant concentrations of credit risk relating to loans and receivables at fair value through profit or loss.

(c) Financial risk management objectives

The Group is exposed to market risk (including currency risk and fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. Due to the size of the operations, the Group does not enter into derivative financial instruments.

(d) Market risk

The Group's activities expose it to the financial risks of changes in foreign currency exchange rates.

Due to the size of the operations, the Group does not enter into derivative financial instruments to manage its exposure to foreign currency risk. The foreign currency risk is immaterial in terms of possible impact on profit and loss and total equity and as such a sensitivity analysis has not been completed.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

(i) Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Due to the size of the operations, the Group does not enter into derivative financial instruments to manage its exposure to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the balance date expressed in Australian dollars are as follows:

	Liabilities		Assets	
	2020 $	2019 $	2020 $	2019 $
US Dollars	334,657	79,338	200,871	107,611

The foreign currency risk is immaterial in terms of possible impact on profit and loss and total equity and as such a sensitivity analysis has not been completed.

(ii) Interest rate risk management

The Company and the Group are exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 14: FINANCIAL INSTRUMENTS (continued)

The Company and Group's exposures to interest rate on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate risk sensitivity analysis

The sensitivity analyses below have been determined based upon the exposure to interest rates for non-derivative financial instruments at the balance date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the change in interest rates.

At balance date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, there would be an immaterial impact on equity and profit or loss.

(e) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and as such, collateral is not requested nor is it the Group's policy to securitise its trade and other receivables.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk without taking account of any collateral obtained.

(f) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

The following table details the Company's and the Group's expected maturity for its non-derivative financial liabilities. These have been drawn up based on undiscounted contractual maturities of the financial liabilities based on the earliest date the Group can be required to repay. The tables include both interest and principal cash flows.

Consolidated

2020	Less than one month $	1 – 3 months $	3 months – 1 year $	1 year – 5 years $	5 + years $
Fixed interest rate loan	-	-	-	-	-
Non-interest bearing	374,823	-	-	-	-
	374,823	-	-	-	-

2019	Less than one month $	1 – 3 months $	3 months – 1 year $	1 year – 5 years $	5 + years $
Fixed interest rate loan	-	-	-	-	-
Non-interest bearing	226,872	-	-	-	-
	226,872	-	-	-	-

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 14: FINANCIAL INSTRUMENTS (continued)

(g) Fair value of measurement

Fair value hierarchy

The following table details the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

The following table details the Group's assets and liabilities measured or disclosed at fair value.

	Level 1 $	Level 2 $	Level 3 $	Total $
2020				
Assets				
Financial Assets – FVOCI	94,667	-	-	94,667
Total assets	94,667	-	-	94,667
2019				
Assets				
Financial Assets – FVOCI	140,000	-	-	140,000
Total assets	140,000	-	-	140,000

Estimates of fair value take into account factors and market conditions evident at balance date. Uncertainty and changes in global market conditions in the future may impact fair values in the future.

Transfers between level 1 and 3

There were no movements between different fair value measurement levels during the financial year (2019: none).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 15: COMMITMENTS AND CONTINGENCIES

Jones Hill Deposit

The Company has entered into option agreements with two unrelated parties (Vendors), each of which hold 10 Federal mining claims over and around the Jones Hill VMS Deposit (Jones Hill Deposit), which forms part of the larger Tererro VMS Project. The agreements provide the Company with a twelve-year option to acquire a 100% interest in the Jones Hill Deposit. Remaining commitments related to the Jones Hill Deposit at reporting date but not recognised as liabilities, include the following:

1. The Company has until 16 June 2031 to conduct further exploration and to evaluate the development of a mining operation.
2. Until the Company completes a positive feasibility study into the development of Jones Hill, annual cash payments of US$10,000 on or before 16 June each year, to extend its option for a further 12 months;
3. Once the Company completes a positive feasibility study into the development of Jones Hill, subsequent annual cash payments of US$20,000 on or before 16 June each year, to extend its option for a further 12 months;
4. To exercise its option to acquire a 100% interest in the mining claims, the Company is required to pay each Vendor US$500,000 (total US$1,000,000). This option can be exercised at any time during the twelve-year option period. Title in the mining claims will be transferred to the Company at the time this payment is made;
5. On commencement of commercial production, the Company is required to pay each Vendor US$1,000,000 (total US$2,000,000); and
6. 24 months after commencement of commercial production, the Company is required to pay each Vendor US$1,000,000 (total US$2,000,000).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 15: COMMITMENTS AND CONTINGENCIES (continued)

Antler Copper Deposit

The Company has entered into an Option and Purchase Agreement (Option) with SW Metals Inc. ("SWM"), which holds the right to acquire 100% of two (2) patented mining claims that encompass the Antler Deposit (Deposit), which forms part of the Antler Copper Project. Remaining commitments related to the Antler Deposit at reporting date but not recognised as liabilities, include the following:

1. On each annual anniversary of closing, being 6 March 2020 (Closing), until the commencement of commercial production, the Company will be required to pay SWM US$75,000 to maintain its Option for the following 12 months;
2. To maintain its Option, New World Resources has also agreed to make payments SWM previously agreed to pay to purchase a 100% interest in the two patented mining claims. The remaining payments at reporting date comprised:
    a. US$50,000 on or before 1 August 2020;
    b. US$50,000 on or before 1 February 2021;
    c. US$75,000 on or before 1 August 2021;
    d. US$75,000 on or before 1 February 2022;
    e. US$100,000 on or before 1 August 2022;
    f. US$100,000 on or before 1 August 2023; and
    g. US$100,000 on or before 1 August 2023 if a Measured and Indicated Resource of 5 million tons at a grade of at least 1.9% Cu, 6.0% Zn, 1.0% Pb and 1 oz/ton Ag has been delineated on the two patented claims (or a pro-rata payment thereof if a smaller resource has been delineated).
3. New World Resources has committed to meet minimum work and expenditure commitments on the Project (including the payments summarised above) that shall comprise:
    a. Within the first 12 months of Closing – US$500,000 of expenditure;
    b. Within 24 months of Closing – cumulative expenditure of US$1,250,000;
    c. Within 36 months of Closing – cumulative expenditure of US$2,000,000; and
    d. Within 48 months of Closing – cumulative expenditure of US$3,500,000.
4. At any time during the Option period, New World can exercise its Option (to acquire a 100% interest in the Deposit) by paying SWM US$1,000,000;
5. If New World Resources exercises its Option, SWM will be entitled to:
    a. A US$1,000,000 payment two months after commencement of commercial production (the "Production Payment");
    b. Ten further cash payments of US$100,000 each, on each monthly anniversary of the Production Payment; and
    c. Once New World Resources has been reimbursed, from initial operational cash flows, 100% of the Option costs and initial capital required to bring the Project into production, a 10% net proceeds interest in the cash flows (pre-tax) from subsequent production; and
6. At any time, New World Resources can purchase 100% of SWM's net proceeds interest for US$10,000,000 (or pay a lesser amount for a proportionately lesser interest).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 15: COMMITMENTS AND CONTINGENCIES (continued)

Columbia Mine

The Company holds the rights to explore and develop a privately-owned 120-acre parcel of land that includes and encompasses the high-grade Columbia Copper-Cobalt Mine (Columbia Mine) in Nevada, USA. The Columbia Mine forms part of the Company's existing Goodsprings Copper-Cobalt Project. The Company has been granted a 3-year extension until 2 October 2022 (Extension Date), to complete sufficient work to calculate a JORC Inferred Resource estimate and reduce the area of influence at the Columbia Mine to 20 acres. Remaining commitments related to the Columbia Mine at reporting date but not recognised as liabilities, include the following:

1. In the event the cobalt price exceeds US$25/lb for 10 consecutive days (Price Threshold Date) during the 3 year period to the Extension Date, the Company will only have until the earlier of (i) 12 months from the Price Threshold Date; or (ii) 2 October 2022; to satisfy its obligations to calculate a JORC Inferred Resource estimate and reduce the area of influence to 20 acres; and
2. Prior to the Extension Date, the Company will make annual payments to the vendor to maintain its rights for each subsequent year of the extension, comprising (i) US$5,000 cash; and (ii) US$10,000 worth of Shares in the Company. For each payment instalment, the number of Shares to be issued will be based on the 10-day volume weighted average price of the Company's shares immediately prior to the date of each Share issue.
3. The Company is required to apply for mine permits by no later than the Extension Date and will have 10 years from receipt of mine permits to complete its mining activities.
4. The annual payment will be increased to US$100,000 once mine permit applications are submitted;
5. On the earlier of (i) approval of mine permit applications or (ii) 24 months from the making of such applications (the Commencement Date), the Company is required to make a one-off payment of US$250,000;
6. The Company is also required to pay the vendor a 2.0% net smelter return royalty on all production from the lease area; and
7. From the Commencement Date, the annual payment will be increased to US$250,000 per annum, inclusive of royalty payments. In the event royalty payments exceed US$250,000 the full royalty will be payable but no additional payments will be required.

Other

The Company's US subsidiaries also own other US mining claims which require annual renewal payments by 1 September each year. Failure to make a renewal payment would result in the forfeiture of the underlying claim. There are no additional minimum expenditure obligations in relation to these mining claims.

	Consolidated	
	2020 $	2019 $
Exploration expenditure commitments		
Within one year	276,319	245,850
After one year but not more than five years	588,996	983,400
Later than five years	-	-
	865,315	1,229,250

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 16: RELATED PARTY DISCLOSURE

Controlled Entities

Name	*Country of Incorporation*	*% Equity Interest*	
		2020	*2019*
Acebell Holdings Pty Ltd	Australia	100	100
Fissure Exploration Pty Ltd	Australia	100	100
Langley Metals Pty Ltd	Australia	-	100
Liaz Pty Ltd	Australia	100	100

New World Resources Limited is the ultimate Australian parent entity and ultimate parent of the Group.

MQB Ventures Pty Ltd, a Company of which Mr. Michael Haynes is a Director, provided the Company with a fully serviced office including administration support for a fee totalling $111,000 during the year. $10,500 was outstanding at year end.

Langley Metals Pty Ltd was incorporated during the previous year and was deregistered on 16 October 2019.

The Company sold 100% of the issued share capital of Longford Zinc Mining Ltd on 24 April 2019.

NOTE 17: PARENT ENTITY DISCLOSURES

Financial position

	30 June 2020 $	30 June 2019 $
Assets		
Current assets	489,194	1,873,882
Non-current assets	11,161,494	15,142,175
Total assets	11,650,688	17,016,057
Liabilities		
Current liabilities	40,168	147,534
Total liabilities	40,168	147,534
Equity		
Issued capital	85,775,972	82,960,305
Accumulated losses	(78,278,741)	(77,196,085)
Reserves		
Share-based payments	3,260,032	2,772,170
Option reserve	8,378,799	8,378,799
Fair value reserve	(92,000)	(46,667)
Total equity	19,044,062	16,868,522

Financial performance

Loss for the year	(1,082,656)	(6,580,441)
Net loss for the year	(1,082,656)	(6,580,441)
Other comprehensive loss	(45,333)	(46,667)
Total comprehensive loss	(1,127,989)	(6,627,108)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 18: EVENTS AFTER THE REPORTING PERIOD

On 12 August 2020, the Group completed a share placement, which raised gross proceeds of $3.5 million pursuant to the issue of 129,629,630 Shares at an issue price of $0.027 per Share. The proceeds will primarily be used to fund the ongoing exploration and development program at the Antler Project.

On 18 August 2020, the Group advised that it had issued 8,750,000 Shares pursuant to the exercise of 8,750,000 unlisted options, each of which was exercisable at $0.02 on or before 30 June 2022.

On 16 September 2020, the Group advised that it had issued 750,000 Shares pursuant to the exercise of 750,000 unlisted options, each of which was exercisable at $0.0225 on or before 24 January 2021.

On 25 September 2020, the Group advised that it had issued 363,236 Shares as part consideration for the Group's acquisition of the rights to explore and develop the Columbia Copper-Cobalt Mine Deposit in Nevada USA

Apart from the above events there are no matters or circumstances that have arisen since the balance date which significantly affects or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

NOTE 20: AUDITOR'S REMUNERATION

The auditor of New World Resources Limited is Stantons International Audit and Consulting Pty Ltd

	Consolidated	
	2020	2019
	$	$
Amounts received or due and receivable by Stantons International Audit and Consulting Pty Ltd for:		
An audit or review of the financial report of the entity and any other entity in the Group	32,000	38,685

NOTE 21: DIRECTORS AND EXECUTIVES DISCLOSURE

(a) Details of Key Management Personnel

Directors
Richard Hill (Non-Executive Chairman)
Michael Haynes (Managing Director)
Anthony Polglase (Non-Executive Director) – appointed 17 October 2019
Scott Mison (Non-Executive Director) – resigned 26 November 2019

Company Secretary
Ian Cunningham

(b) Summary of remuneration paid

The totals of remuneration paid to Key Management Personnel of the company and the Group during the year are as follows:

	2020	2019
	$	$
Short term employee benefits	435,162	317,375
Share-based payments	185,144	30,036
Performance rights based payments	-	760,000
Total Key Management Personnel compensation	**620,306**	**1,107,411**

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

DIRECTORS' DECLARATION

1. In the opinion of the Directors of New World Resources Limited (the 'Company'):

   a. the accompanying consolidated financial statements and notes are in accordance with the Corporations Act 2001 including:

      i. giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the year then ended; and

      ,

      ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

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

   c. the consolidated financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

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

This declaration is signed in accordance with a resolution of the Board of Directors.

Richard Hill
Non-Executive Chairman
30 September 2020

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
NEW WORLD RESOURCES LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of New World 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 Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current 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.

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Key Audit Matter	How the matter was addressed in the audit

Carrying Value of Exploration and Evaluation Expenditure Assets

As disclosed on Note 10 to the consolidated financial statements, the carrying value of exploration and evaluation expenditure assets as at 30 June 2020 was $17,400,120 (2019: $14,419,158).

We identified the carrying value of exploration and evaluation expenditure assets as a key audit matter due to:

- The significance of the expenditure capitalised representing 93% of total assets;
- The necessity to assess management's application of the requirements of the accounting standard Exploration for and Evaluation of Mineral Resources ("AASB 6"), in light of any indicators of impairment that may be present; and
- The assessment of significant judgements made by management in relation to the capitalised exploration and evaluation expenditure.

Inter alia, our audit procedures included the following:

i. Assessing the Group's right to tenure over exploration assets by corroborating the ownership of the relevant licences for mineral resources to government registries and relevant third-party documentation;

ii. Reviewing the directors' assessment of the carrying value of the capitalised exploration and evaluation costs, ensuring the veracity of the data presented and assessing management's consideration of potential impairment indicators, commodity prices and the stage of the Group's projects also against AASB 6;

iii. Evaluating the Group's documents for consistency with the intentions for continuing exploration and evaluation activities in areas of interest and corroborated in discussions with management. The documents we evaluated included:

   - Minutes of the board and management; and
   - Announcements made by the Group to the Australian Securities Exchange; and

iv. Assessing the requirements of accounting standard AASB 6 and adequacy of 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 our auditor's report thereon.

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

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

Responsibilities of the Directors for the Financial Report

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

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

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Auditor's Responsibilities for the Audit of the Financial Report

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

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

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on the Remuneration Report

Opinion on the Remuneration Report

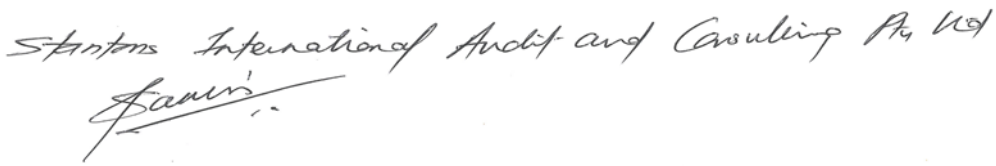
We have audited the Remuneration Report included in pages 20 to 24 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of New World 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.

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



Samir Tirodkar
Director
West Perth, Western Australia
30 September 2020

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DETAILS OF INTERESTS IN MINING TENEMENTS

Tenement	Project	Location	Ownership
USA			
Arizona			
2 x patented mining claims MS 904 and MS 906	Antler Copper Project	Arizona, USA	Option to acquire 100% interest (subject to 10% NPI)
7 x BLM claims: AntlerX 1-5 and AntlerX 8-9	Antler Copper Project	Arizona, USA	Option to acquire 100% interest (subject to 10% NPI)
53 x BLM claims: ANT 1 – Ant 14 ANT 21 – ANT 59	Antler Copper Project	Arizona, USA	Option to acquire 100% interest (subject to 10% NPI)
Idaho			
10 x BLM claims: Jeep #1 – Jeep #10	Colson Cobalt-Copper Project	Idaho, USA	100% interest
46 x BLM claims: Codaho 1 – Codaho 46	Colson Cobalt-Copper Project	Idaho, USA	100% interest
68 x BLM claims: Codaho 52 – Codaho 74, Codaho 90 – Codaho 99, Codaho 104 – Codaho 138	Colson Cobalt-Copper Project	Idaho, USA	100% interest
58 x BLM claims: Codaho 146 – Codaho 149, Codaho 174, Codaho 175, Codaho 178, Codaho 179, Codaho 182, Codaho 183, Codaho 187, Codaho 188, Codaho 215 – Codaho 222, Codaho 244, Codaho 245, Codaho 258 – Codaho 292, Codaho 296, Codaho 297	Colson Cobalt-Copper Project	Idaho, USA	100% interest
18 x BLM claims: Codaho 319 – Codaho 336	Colson Cobalt-Copper Project	Idaho, USA	100% interest
19 x BLM claims: Elk 2 – Elk 7, Elk 11 – Elk 19 Elk 26 – Elk 29	Elkhorn Project	Idaho, USA	100% interest
9 x BLM claims: Elk 8 – 10 Elk 20 – 25	Elkhorn Project	Idaho, USA	100% interest
Nevada			
91 x BLM claims: GS 1 – GS 3, GS 17, GS 29 – GS 34, GS 36, GS 43, GS 64, GS 66 – GS 80, GS 82, GS 84 – GS 89 GS 92 – GS 100, GS 102, GS 104 – GS 106, GS 110 – GS 133, GS 135, GS 137, GS 214 – GS 227, GS 229, GS 230	Goodsprings Copper-Cobalt Project	Nevada, USA	100% interest
6 x Patented Mineral Claims: Columbia St Anthony St Patrick Commercial Frederickson Dividend	Goodsprings Copper-Cobalt Project	Nevada, USA	Granted lease to explore for and process 100% of specific minerals

Tenement	Project	Location	Ownership
21 x BLM claims:, GS 283 – 285, GS 287, GS 289, GS 307 - 310, GS 348, 350, GS 391, GS 393, GS 395, GS 406, GS 503, GS 505, GS 507, GS 509, GS 522, GS 523 -	Goodsprings Copper-Cobalt Project	Nevada, USA	100% interest
6 x BLM claims: GS 6116 GS 638, GS 640, GS 642, GS 650, GS 652,	Goodsprings Copper-Cobalt Project	Nevada, USA	100% interest
New Mexico			
10 x BLM claims: W 1-10	Tererro Copper-Gold-Zinc VMS Project	New Mexico, USA	Option to acquire 100% interest
10 x BLM claims: A 1-10	Tererro Copper-Gold-Zinc VMS Project	New Mexico, USA	Option to acquire 100% interest
141 x BLM Claims JH-9, JH-10, JH-14, JH-15, JH-20-41, JH-44 – 48, JH-50, JH-53 – 61, JH-64 – 68, JH-73 – 108, JH-110 JH-112-114 JH 116-122, JH-124 – 126, JH-128 – 130, JH-133, JH-134, JH-136, JH-137, JH-139, JH-140, JH-142, JH-143, JH-145, JH-146, JH-148, JH-149, JH-151, JH-152, JH-154, JH-155, JH-157 – JH-169, JH-232, JH-233, JH-241 – 246, JH 285-289	Tererro Copper-Gold-Zinc VMS Project	New Mexico, USA	100% Interest

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ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Ltd, and not shown elsewhere in this report is detailed below. The information is current as at 21 September 2020.

Share Capital

There were 1,125,953,433 fully paid ordinary shares ("Shares") on issue held by 2,913 shareholders.

Analysis of numbers of listed equity security holders by size of holding are:

Holding	Number of shareholders	Number of Shares
1 - 1,000	1,046	152,894
1,001 - 5,000	314	921,068
5,001 - 10,000	145	1,103,260
10,001 - 100,000	718	31,850,292
100,001 and over	690	1,091,949
	2,913	**1,125,953,433**

There were 1,582 shareholders holding less than a marketable parcel of ordinary shares.

Statement of Restricted Securities

There are no restricted securities on issue.

Substantial Shareholders

There are no substantial shareholders of the Company.

Voting Rights

All Shares carry one vote per Share.

Options have no voting rights.

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Quoted Equity Security Holders

The names of the twenty largest shareholders of the Company as at 21 September 2020 are as follows:

Shareholder	Number of Shares	% of Issued Capital
JP Morgan Nominees Australia Pty Limited	54,630,906	4.85
Deck Chair Holdings Pty Ltd	50,100,000	4.45
Mahsor Holdings Pty Ltd <Rosham Family S/F No2 A/C>	39,736,779	3.53
Ransdale Investments Pty Ltd <The Viking S/F A/C>	39,674,000	3.52
Bullseye Geoservices Pty Ltd <Haynes Family A/C>	37,667,305	3.35
CS Third Nominees <HSBC Cust Nom AU Ltd 13 A/C>	33,599,980	2.98
Silverpeak Nominees Pty Ltd <The RGM Hill A/C>	25,951,682	2.30
Holdrey Pty Ltd <Don Mathieson Family A/C>	20,450,000	1.82
Jeff Towler Building Pty Ltd	20,000,000	1.78
Citicorp Nominees Pty Limited	19,156,018	1.70
Mr Geoffrey Kevin Campbell <Cammell Discretionary A/C>	17,800,000	1.58
Ponderosa Investments (WA) Pty Ltd <Ponderosa Investment A/C>	15,600,000	1.39
FNL Investments Pty Ltd	11,000,000	1.09
FNL Investments Pty Ltd <Superannuation Plan A/C>	10,000,000	0.98
Mrs Sara Jacob	10,000,000	0.89
Mr Geoffrey Kevin Cammell	9,665,208	0.86
Mr Murray John Jacob & Mrs Sara Caroline Jacob <Aquatica Superfund A/C>	8,500,000	0.75
Van Merwyk Superannuation Fund Pty Ltd <Van Merwyk Super Fund A/C>	8,000,000	0.71
Byrne Holdings Pty Ltd	8,000,000	0.71
Mr Faris Cassim	7,350,000	0.65
Rojul Nominees Pty Ltd <RR Martin Super Fund A/C>	7,055,633	0.63
	466,180,449	**41.40**

Unquoted Equity Securities

Class	Number of securities
Unlisted options exercisable at $0.1245, $0.1495, $0.1745, $0.1995 and $0.2245 on or before 13 December 2021 September 2020[1]	350,000
Unlisted options exercisable at $0.02 each on or before 30 June 2022[2]	26,250,000
Unlisted options exercisable at $0.04 each on or before 27 September 2022[3]	65,000,000
Unlisted options exercisable at $0.04 each on or before 28 November 2022[4]	44,500,000

1. All held by Scott Mison
2. 8,750,000 (33%) held by Zenix Nominees Pty Ltd, 8,750,000 (33%) held by Mahsor Holdings Pty Ltd <Rosham Family S/F No2 A/C> and 8,750,000 (33%) held by Deck Chair Holdings Pty Ltd
3. 25,000,000 (38%) held by Peloton Capital Pty Ltd
4. 15,000,000 (34%) held by Bullseye Geoservices Pty Ltd <Haynes Family A/C>