



**INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
31 MARCH 2020**

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ORA GOLD LIMITED

ABN 74 950 465 654

INTERIM FINANCIAL STATEMENTS – 31 MARCH 2020

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ORA GOLD LIMITED
ABN 74 950 465 654

CORPORATE DIRECTORY

DIRECTORS	Rick W Crabb Philip G Crabb Frank DeMarte Malcolm R J Randall Philip F Bruce	(Non-Executive Chairman) (Non-Executive Director) (Executive Director) (Non-Executive Director) (Non-Executive Director)
COMPANY SECRETARY	Frank DeMarte	
REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS	Level 2, 47 Stirling Highway NEDLANDS WA 6009 Telephone: (08) 9389 6927 Email: info@ora.gold Website: www.ora.gold	
SHARE REGISTRY	Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace PERTH WA 6000 Telephone: 1300 850 505 (within Australia) +61 3 9415 4000 (outside Australia) Facsimile: +61 3 9323 2030	
AUDITORS	Stantons International Audit and Consulting Pty Ltd Level 2, 1 Walker Avenue WEST PERTH WA 6005	
STOCK EXCHANGE LISTING	The Company's shares are listed and quoted on the Australian Securities Exchange Limited ("ASX"). Home Exchange: Perth, Western Australia	
ASX CODE	OAU	

DIRECTORS' REPORT

Your directors present financial statements for the half year ended 31 March 2020.

DIRECTORS

The names of the Company's directors in office during the half year and until the date of this report are set out below. The directors were in office for the entire period unless otherwise stated.

Rick W Crabb	(Non-Executive Chairman)
Philip G Crabb	(Non-Executive Director)
Frank DeMarte	(Executive Director)
Malcolm J Randall	(Non-Executive Director)
Philip F Bruce	(Non-Executive Director)

RESULT

The consolidated entity incurred an after tax operating loss for the half year ended 31 March 2020 of \$1,522,637 (31 March 2019 loss \$1,521,941).

PRINCIPAL ACTIVITY

The principal activities of the Consolidated Entity during the financial half year were in the exploration for mineral resources in Australia.

REVIEW OF OPERATIONS

During the period, the Consolidated Entity continued its exploration activities in Australia.

EVENTS SUBSEQUENT TO REPORTING DATE

Since the end of the financial half year, the Directors are not aware of any matter or circumstance not otherwise dealt with in this report or the Financial Statements, that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent years, the financial effects of which have not been provided for in the 31 March 2020 half year financial statements except:

Director provides increased secured Loan Facility

On 29 January 2020, the Company and Ioma Pty Ltd (Ioma) entered into a Deed of Amendment and Restatement to amend the Loan Facility Agreement to increase the facility limit from \$2,000,000 to \$4,000,000, subject to the Company granting Ioma security over the Group's assets on the same terms and conditions, except for the Maturity Date which has been extended to 17 May 2023 and interest to be paid annually.

Approval to grant security over the Group's assets and convert the loan to a secured Facility was obtained at the Annual General Meeting held on 9 April 2020.

Response to COVID-19 Pandemic

During the reporting period, the Board considered the impact of the pandemic on its operations, the market generally and its cash position and has taken the following immediate steps to reduce its outgoings:

- (a) all Board members have agreed to suspend payment of their director fees until further notice. The director fees will continue to accrue but are not payable until further notice; and
- (b) all employees have agreed to reduce their salaries by 25% by working three days a week until further notice. The employee salaries will continue to accrue but are not payable until further notice;

ORA GOLD LIMITED
ABN 74 950 465 654

All field exploration activities on the Consolidated Entity's projects were suspended. However, the Company continued to carry out desk top work including compilation and assessment of exploration and drilling data, preparation of proposed programme of works, completion of statutory reporting requirements and continue discussions, negotiations and low cost pre-development work to advance the Crown Prince deposit into production.

Options Granted to Participating Directors

Pursuant to shareholder approval granted at the Annual General Meeting held on 9 April 2020, the following unquoted options were issued to participating directors:

- (a) 10,000,000 unquoted Options issued for nil cash consideration to Mr Philip Bruce (or his nominee) as part of his remuneration as Director of the Company, are exercisable at \$0.015 per option and expiring on 8 April 2023 with various vesting conditions;
- (b) 10,000,000 unquoted Options issued for nil cash consideration to Mr Frank DeMarte (or his nominee) as part of his remuneration as Director of the Company, are exercisable at \$0.018 per option and expiring on 8 April 2025; and
- (c) 20,000,000 unquoted Options issued for nil cash consideration to Mr Philip G Crabb (or his nominee) as part of his remuneration as Director of the Company, are exercisable at \$0.018 per option and expiring on 8 April 2025.

Placement and Share Purchase Plan

On 3 June 2020, the Company announced that it had completed a placement to unrelated sophisticated and professional investors raising \$1,000,000 (before costs) through the issue of 71,428,571 fully paid ordinary shares at an issue price of \$0.014 per share (Placement).

The Company also announced that it will offer eligible existing shareholders the opportunity to participate in a Share Purchase Plan (SPP) to raise a further \$1,000,000 on similar terms as the Placement.

PROCEEDINGS ON BEHALF OF THE COMPANY

William Richmond commenced Proceedings on 1 June 2018 in the Federal Court of Australia against Ora Gold Limited (previously Thundelarra Limited) (Company) and Sandfire Resources Limited (previously Sandfire Resources NL) (Sandfire) (Proceedings). Mr Richmond seeks declarations against the Company and Sandfire, as well as unspecified damages and/or compensation from the Company and Sandfire. Mr Richmond has not quantified the amount of the damages and/or compensation that he seeks. His claims primarily relate to allegations about the Company's and Sandfire's conduct prior to May 2012 in relation to Red Bore mining tenement M52/597.

The Company filed its substituted defence on 3 October 2019. The Company denies liability in respect of the allegations the subject of the Proceedings and denies that Mr Richmond is entitled to any relief. The Company is of the opinion that Mr Richmond's allegations are without merit, and the Company will vigorously defend the Proceedings.

The parties are yet to give discovery, and no date has been set for a trial. Given the status of the Proceedings, and that Mr Richmond has not quantified his claim for damages and/or compensation, the Company is presently unable to reliably estimate the quantum of liability, if any, that it may incur in respect of the Proceedings.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration to the Directors of Ora Gold Limited is set out on page 4 and forms part of the Directors' Report for the period ended 31 March 2020.

ORA GOLD LIMITED
ABN 74 950 465 654

This statement is signed in accordance with a resolution of the Directors:



Frank DeMarte
Executive Director

Perth, Western Australia

5 June 2020

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5 June 2020

Board of Directors
Ora Gold Limited
Level 2, 47 Stirling Highway
NEDLANDS, WA 6009

Dear Sirs

RE: ORA GOLD 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 Ora Gold Limited.

As Audit Director for the review of the financial statements of Ora Gold Limited for the period ended 31 March 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD



Martin Michalik
Director

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 MARCH 2020**

	Notes	Consolidated	
		31 March 2020 \$	31 March 2019 \$
REVENUE FROM CONTINUING OPERATIONS			
Revenue	3(a)	1,346	12,330
Other income	3(b)	-	13,687
		<u>1,346</u>	<u>26,017</u>
EXPENDITURE			
Depreciation expenses		(14,789)	(29,731)
Employee benefits expenses	3(c)	(330,074)	(363,963)
Exploration expenses written off	3(d)	(773,401)	(718,065)
Administration expenses	3(e)	(405,719)	(436,199)
(Loss) from continuing operations before income tax expense		(1,522,637)	(1,521,941)
Income tax expense		-	-
Net (Loss) from continuing operations for the period		(1,522,637)	(1,521,941)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the period		(1,522,637)	(1,521,941)
Net (Loss) attributable to: Members of the parent entity		(1,522,637)	(1,521,941)
Comprehensive income/(loss) attributable to: Members of the parent entity		(1,522,637)	(1,521,941)
Earnings per share for profit/(loss) from continuing operations attributable to the ordinary equity holders of the parent entity:		<u>Cents per share</u>	<u>Cents per share</u>
Basic earnings/(loss) for the half year	4	(0.24)	(0.24)
Diluted earnings/(loss) for the half year	4	(0.24)	(0.24)

The accompanying condensed notes form part of the financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020**

	Notes	Consolidated	
		31 March 2020 \$	30 September 2019 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	104,984	168,236
Trade and other receivables		148,270	46,844
Other financial assets		4,421	17,684
Total Current Assets		257,675	232,764
Non-Current Assets			
Other receivables		57,183	174,748
Property, plant and equipment		92,738	107,527
Total Non-Current Assets		149,921	282,275
TOTAL ASSETS		407,596	515,039
LIABILITIES			
Current Liabilities			
Trade and other payables		133,887	291,640
Provisions		196,590	187,774
Total Current Liabilities		330,477	479,414
Non-Current Liabilities			
Borrowings	6	2,778,139	1,269,907
Total Non-Current Liabilities		2,778,139	1,269,907
TOTAL LIABILITIES		3,108,616	1,749,321
NET ASSETS/(LIABILITIES)		(2,701,020)	(1,234,282)
EQUITY			
Contributed equity	7	62,535,711	62,535,711
Reserves		8,284,374	8,228,475
Accumulated losses		(73,521,105)	(71,998,468)
TOTAL EQUITY/(DEFICIENCY)		(2,701,020)	(1,234,282)

The accompanying condensed notes form part of the financial statements.

ORA GOLD LIMITED
ABN 74 950 465 654

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 MARCH 2020**

CONSOLIDATED	Issued Capital	Accumulated Profit / (losses)	Reserves	Total Equity/ (Deficiency)
	\$	\$	\$	\$
Balance at 1 October 2019	62,535,711	(71,998,468)	8,228,475	(1,234,282)
Total comprehensive income for the period				
Profit/(Loss) for the period	-	(1,522,637)	-	(1,522,637)
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive income/(loss) for the period	-	(1,522,637)	-	(1,522,637)
Transactions with owners recorded directly in equity:				
Shares issued, net of transaction costs	-	-	-	-
Recognised value of share based payments	-	-	55,899	55,899
Balance at 31 March 2020	62,535,711	(73,521,105)	8,284,374	(2,701,020)

CONSOLIDATED	Issued Capital	Accumulated Profit / (losses)	Reserves	Total Equity/ (Deficiency)
	\$	\$	\$	\$
Balance at 1 October 2018	62,360,252	(68,702,050)	8,224,373	1,882,575
Total comprehensive income for the period				
Profit/(Loss) for the period	-	(1,521,941)	-	(1,521,941)
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive income/(loss) for the period	-	(1,521,941)	-	(1,521,941)
Transactions with owners recorded directly in equity:				
Shares issued, net of transaction costs	173,707	-	-	173,707
Recognised value of share based payments	-	-	-	-
Balance at 31 March 2019	62,533,959	(70,223,991)	8,224,373	534,341

The accompanying condensed notes form part of the financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 MARCH 2020**

	Notes	Consolidated	
		31 March 2020 \$	31 March 2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(616,491)	(550,683)
Interest received		1,346	18,676
Payments for exploration and evaluation expenditure		(887,614)	(499,634)
Net cash flows (used in) operating activities		<u>(1,502,759)</u>	<u>(1,031,641)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		-	(13,292)
Proceeds from sale of investment		-	57,437
Net cash flows from investing activities		<u>-</u>	<u>44,145</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares and options		-	-
Share issue costs		-	(2,293)
Proceeds from borrowings		1,439,507	-
Net cash flows from/(used in) financing activities		<u>1,439,507</u>	<u>(2,293)</u>
Net (decrease) in cash and cash equivalents		(63,252)	(989,789)
Cash and cash equivalents at the beginning of the period		168,236	1,472,031
Cash and cash equivalents at the end of the period	5	<u>104,984</u>	<u>482,242</u>

The accompanying condensed notes form part of the financial statements

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**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2020**

(1) CORPORATE INFORMATION

This financial report includes the consolidated financial statements and notes of Ora Gold Limited and its controlled entities ("Consolidated Entity or Group").

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The consolidated half-year financial report is a general purpose financial report which has been prepared in accordance with AASB 134: *Interim Financial Reporting* and the Corporations Act 2001.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Consolidated Entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 September 2019 and considered together with any public announcements made by Ora Gold Limited and its controlled entities during the period ended 31 March 2020 in accordance with the continuous disclosure obligations of the ASX listing rules.

The half-year financial report complies with the Corporations Act 2001 and AASB 134 "Interim Financial Reporting".

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Group has considered the first adoption of AASB 16 - Leases on the Group's financial statements. However, the Group did not have any operating leases which are more than 12 months as at 1 October 2019. Therefore the Group has not made any amendments to the accounts as the first adoption of AASB 16 does not have a significant impact on the interim financial statements. The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB 16) that are relevant to their operations and effective for the current half-year.

The first adoption of AASB 16 Leases has had no impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements since the Group does not have any operating leases which are more than 12 months.

Basis of Consolidation

The half-year consolidated financial statements comprise the financial statements of Ora Gold Limited and its subsidiaries as at 31 March 2020.

Principles of Consolidation

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated.

Interests in Joint Ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The Group recognises its interest in the jointly controlled operations by recognising the assets that it controls and the liabilities that it incurs. The Group also recognises the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the jointly controlled operations.

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2020**

Tax Consolidation

The Company and its wholly owned Australian subsidiaries have formed a tax consolidated group with effect from 1 October 2008. The head entity within the group is Ora Gold Limited.

Current income tax expenses/income and deferred tax liabilities and assets are recognised in the separate financial statements of members of the tax consolidated group using the 'separate taxpayer within the group' approach. This approach determines the tax obligations of entities within the tax consolidated group after accounting for any consolidated adjustments.

Any current tax liabilities/(assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax consolidated group and are recognised as amounts payable/(receivable) to/(from) other entities in the tax consolidated group.

Mineral Exploration and Evaluation

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of a Joint Ore Reserves Committee (JORC) resource is itself an estimation process that requires varying degrees of uncertainty depending on sub-classification and these estimates directly impact the point of deferral of exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in the statement of comprehensive income in the period when the new information becomes available.

Exploration, evaluation and development costs are accumulated in respect of each separate area of interest. Exploration and evaluation costs may be carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest. When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision was made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they may not be recoverable in the future. Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

Going Concern

The financial statements have been prepared on a going concern basis.

The Group recorded a loss of \$1,522,637 for the half year ended 31 March 2020. Total exploration expenditure recognised in the half year is \$773,401. The Group has cash assets of \$104,984 as at 31 March 2020 and investments held for trading and available for sale valued at \$4,421 at the reporting date.

The Group continually assesses its funding requirements. The Company has the capacity under Listing Rules 7.1 and 7.1A. to raise additional working capital to fund its operations, and also has the ability to conduct a pro-rata issue for the purpose of raising further funding. The Company has a history of raising funds as and when required. The directors believe the going concern basis of preparation of the financial statements is appropriate.

In May 2019, the Company agreed terms of an unsecured Loan Facility from Ioma Pty Ltd (**Ioma**), an entity associated with a director of the Company, Mr Philip Crabb, to assist the Company with its general working capital requirements. Ioma provided the Company with funding for \$1,000,000.

The loan was repayable on the later of:

- (a) the date that is 2 years from the date of the first Drawdown; or
- (b) the date that is 2 years from the date of the Loan Facility Agreement (17 May 2021) (Maturity Date) if not repaid before.

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2020**

The amount drawn accrues interest at 7% per annum calculated on the daily balance of the amount drawn. The accrued interest is payable on the earlier of the date on which any outstanding financial accommodation provided under the facility is repaid in full and the Maturity Date.

On 4 September 2019, the Company and loma entered into a Deed of Variation to amend the Loan Facility Agreement to increase the facility limit from \$1,000,000 to \$2,000,000, on the same terms and conditions.

On 29 January 2020, the Company and loma entered into a Deed of Amendment and Restatement to amend the Loan Facility Agreement to increase the facility limit from \$2,000,000 to \$4,000,000, subject to the Company granting loma security over the Group's on the same terms and conditions, except for the Maturity Date which has been extended to 17 May 2023 and interest to be paid annually.

Approval to granting security over the Group's assets and convert the loan to a secured Facility was obtained at the Annual General Meeting held on 9 April 2020.

As at the 31 March 2020, the Company's loan facility balance is \$2.778 million which includes accrued interest of \$88,632.

3. REVENUE AND EXPENSES

Revenues and expenses from continuing operations:

	Consolidated	
	31 March 2020 \$	31 March 2019 \$
(a) Revenue		
Bank interest received and receivable	1,346	12,330
(b) Other Income		
Net gain on disposal of investment	-	13,687
	-	13,687
Total Revenues	1,346	26,017
(c) Employee Benefits Expense		
Salaries and wages	(274,175)	(363,963)
Share based payments	(55,899)	-
	(330,074)	(363,963)
(d) Exploration Expenditure written off		
Exploration costs written off	(773,401)	(718,065)
(e) Administration expenses		
General and other administrative expenses	(405,719)	(436,199)

4. EARNINGS / (LOSS) PER SHARE

	Consolidated	
	31 March 2020 \$	31 March 2019 \$
Basic earnings/(loss) (cents per share)	(0.24)	(0.24)
Diluted earnings/(loss) (cents per share)	(0.24)	(0.24)

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2020**

	Consolidated	
	31 March 2020 \$	31 March 2019 \$
Weighted average number of ordinary shares on issue during the period used in the calculation of:		
• Basic earnings per share	646,130,906	643,073,905
• Diluted earnings per share	646,130,906	643,073,905

5. CASH AND CASH EQUIVALENTS

For the purposes of the half year Condensed Consolidated Statement of Cash Flows, cash and cash equivalents comprise the following:

	Consolidated	
	31 March 2020 \$	30 September 2019 \$
Cash at bank and in hand	104,984	168,236
Short-term deposits	-	-
	<u>104,984</u>	<u>168,236</u>

6. BORROWINGS (NON-CURRENT)

	Consolidated	
	31 March 2020 \$	30 September 2019 \$
Balance at beginning of year	1,269,907	-
Drawdowns during the year	1,439,507	1,250,000
Interest accrued during the year	68,725	19,907
Repayments	-	-
Balance at end of year	<u>2,778,139</u>	<u>1,269,907</u>

At the Annual General Meeting held on 9 April 2020, shareholders approved the granting of security over the Group's assets in relation to the secured loan facility provided to the Group by Ioma Pty Ltd.

7. CONTRIBUTED EQUITY

(a) Issued and paid up capital

	Consolidated	
	31 March 2020 \$	30 September 2019 \$
Ordinary shares		
Issued and fully paid	<u>62,535,711</u>	<u>62,535,711</u>

(b) Movement in ordinary shares on issue

	Number of Shares	Issue Price \$	Total \$
1/10/2019 Opening balance	646,130,906		62,535,711
Less: share issue costs	-		-
At 31 March 2020	<u>646,130,906</u>		<u>62,535,711</u>

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**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2020**

7. CONTRIBUTED EQUITY (continued)

(c) Movement in options on issue

31 March 2020	Balance at the Beginning of the Period 1 October 2019	Issued During the Period	Exercised During the Period	Expired During the Period	Balance at the End of the Period 31 March 2020
Unquoted options exercisable at 8 cents each on or before 26 February 2021	3,000,000	-	-	-	3,000,000
Unquoted options exercisable at 6 cents each on or before 14 November 2019	4,350,000	-	-	(4,350,000)	-
Unquoted options exercisable at 7 cents each on or before 23 February 2022	8,000,000	-	-	-	8,000,000
Unquoted options exercisable at 4 cents each on or before 18 December 2020	2,500,000	-	-	-	2,500,000
Total	17,850,000	-	-	(4,350,000)	13,500,000

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2020**

8. SEGMENT INFORMATION

Ora Gold Limited operates within the exploration industry in Australia.

9. SUBSEQUENT EVENTS

Since the end of the financial half year, the Directors are not aware of matter or circumstance not otherwise dealt with in this report or the Financial Statements, that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent years, the financial effects of which have not been provided for in the 31 March 2020 half year financial statements, or have been disclosed below:

Director provides increased secured Loan Facility

In May 2019, the Company agreed terms of an unsecured Loan Facility from loma Pty Ltd (**loma**), an entity associated with a director of the Company, Mr Philip Crabb, to assist the Company with its general working capital requirements. loma provided the Company with funding for \$1,000,000.

The loan was repayable on the later of:

- (i) the date that is 2 years from the date of the first Drawdown; or
- (ii) the date that is 2 years from the date of the Loan Facility Agreement (17 May 2021) (Maturity Date), if not repaid before.

The amount drawn accrues interest at 7% per annum calculated on the daily balance of the amount drawn. The accrued interest is payable on the earlier of the date on which any outstanding financial accommodation provided under the facility is repaid in full and the Maturity Date.

On 4 September 2019, the Company and loma entered into a Deed of Variation to amend the Loan Facility Agreement to increase the facility limit from \$1,000,000 to \$2,000,000, on the same terms and conditions.

On 29 January 2020, the Company and loma entered into a Deed of Amendment and Restatement to amend the Loan Facility Agreement to increase the facility limit from \$2,000,000 to \$4,000,000, subject to the Company granting loma security over the Group's assets on the same terms and conditions, except for the Maturity Date which has been extended to 17 May 2023 and interest to be paid annually.

Approval to granting security over the Group's assets and convert the loan to a secured Facility was obtained at the Annual General Meeting held on 9 April 2020.

As at the 31 March 2020, the Company's loan facility balance is \$2.778 million which includes accrued interest of \$88,632.

Response to COVID-19 Pandemic

During the reporting period, the Board considered the impact of the pandemic on its operations, the market generally and its cash position and has taken the following immediate steps to reduce its outgoings:

- (a) all Board members have agreed to suspend payment of their director fees until further notice. The director fees will continue to accrue but are not payable until further notice; and
- (b) all employees have agreed to reduce their salaries by 25% by working three days a week until further notice. The employee salaries will continue to accrue but are not payable until further notice;

All field exploration activities on the Group's projects were suspended. However, the Group continued to carry out desk top work including compilation and assessment of exploration and drilling data, preparation of proposed programme of works, completion of statutory reporting requirements and

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2020**

continue discussions, negotiations and low cost pre-development work to advance the Crown Prince deposit into production.

Options Granted to Participating Directors

Pursuant to shareholder approval granted at the Annual General Meeting held on 9 April 2020, the following unquoted options were issued to participating directors:

- (a) 10,000,000 unquoted Options issued for nil cash consideration to Mr Philip Bruce (or his nominee) as part of his remuneration as Director of the Company, are exercisable at \$0.015 per option and expiring on 8 April 2023 with various vesting conditions;
- (b) 10,000,000 unquoted Options issued for nil cash consideration to Mr Frank DeMarte (or his nominee) as part of his remuneration as Director of the Company, are exercisable at \$0.018 per option and expiring on 8 April 2025; and
- (c) 20,000,000 unquoted Options issued for nil cash consideration to Mr Philip G Crabb (or his nominee) as part of his remuneration as Director of the Company, are exercisable at \$0.018 per option and expiring on 8 April 2025.

Placement and Share Purchase Plan

On 3 June 2020, the Company announced that it had completed a placement to unrelated sophisticated and professional investors raising \$1,000,000 (before costs) through the issue of 71,428,571 fully paid ordinary shares at an issue price of \$0.014 per share (Placement).

The Company also announced that it will offer eligible existing shareholders the opportunity to participate in a Share Purchase Plan (SPP) to raise a further \$1,000,000 on similar terms as the Placement.

10. CONTINGENT LIABILITIES

In the opinion of the Directors, there are no contingent liabilities as at 31 March 2020, and none have arisen as at the date of this financial report, except as noted below:

Proceedings on behalf of the Company

William Richmond commenced Proceedings on 1 June 2018 in the Federal Court of Australia against Ora Gold Limited (previously Thundelarra Limited) (Company) and Sandfire Resources Limited (previously Sandfire Resources NL) (Sandfire) (Proceedings). Mr Richmond seeks declarations against the Company and Sandfire, as well as unspecified damages and/or compensation from the Company and Sandfire. Mr Richmond has not quantified the amount of the damages and/or compensation that he seeks. His claims primarily relate to allegations about the Company's and Sandfire's conduct prior to May 2012 in relation to Red Bore mining tenement M52/597.

The Company filed its substituted defence on 3 October 2019. The Company denies liability in respect of the allegations the subject of the Proceedings and denies that Mr Richmond is entitled to any relief. The Company is of the opinion that Mr Richmond's allegations are without merit, and the Company will vigorously defend the Proceedings.

The parties are yet to give discovery, and no date has been set for a trial. Given the status of the Proceedings, and that Mr Richmond has not quantified his claim for damages and/or compensation, the Company is presently unable to reliably estimate the quantum of liability, if any, that it may incur in respect of the Proceedings.

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2020**

11. SHARE BASED PAYMENTS

(a) Recognised share based payment expenses

The expense recognised for services received during the period is shown in the table below:

	Consolidated	
	31 March 2020	31 March 2019
	\$	\$
Expense arising from options issued to Directors, employees and contractors	55,899	-

(b) Issue of Director and Employee Options

The Company has an Employee Share Option Plan in place which was approved by shareholders on 28 February 2019. During the 6 months ended 31 March 2020 there were no options granted or issued to employees or contractors.

Philip F Bruce was appointed a director 1 March 2019. Pursuant to Mr Bruce's Consultancy Agreement Mr Bruce is entitled to 10,000,000 options exercisable at \$0.015 each with various vesting conditions subject to shareholder approval which was obtained at the Annual General Meeting held on 9 April 2020. Due to 7,500,000 options vesting in the reporting period, \$55,899 was expensed as share based payments in the period ending 31 March 2020.

(c) Directors and Employee Options

The following table illustrates the number and weighted average exercise price of and the movements in share options issued during the period:

	Number of Options	WAEP \$
Outstanding at beginning of the period	17,850,000	0.07
Granted during the period	-	-
Exercised during the period	-	-
Lapsed during the period	(4,350,000)	(0.07)
Outstanding at end of the period	13,500,000	(0.07)
Exercisable at the end of the period	13,500,000	(0.07)

12. INTEREST IN JOINT VENTURES

The Consolidated Entity also has a number of interests in joint ventures to explore for uranium and other minerals. The Consolidated Entity's share of expenditure in respect to these exploration and evaluation activities is either expensed or capitalised depending on the stage of development and no revenue is generated.

The Consolidated Entity's share in these joint venture activities is as follows:

Joint Venture	Principal Activities	Percentage Interest 31/3/2020	Percentage Interest 30/9/2019
Red Bore JV	Base metals	90%	90%
Keller Creek	Base metals	20% fci	20% fci

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**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2020**

13. COMMITMENTS AND CONTINGENCIES

In the opinion of the directors, there are no outstanding commitments or contingencies at 31 March 2020 and none were incurred in the interval between the period end and the date of this interim financial report other than:

(a) Mineral tenement expenditure commitments

	Consolidated	
	31 March 2020	30 September 2019
	\$	\$
Within one year	313,757	321,692
After one year but not more than five years	369,446	369,594
More than five years	168,667	179,210
	<u>851,870</u>	<u>870,496</u>

The Group has expenditure obligations with respect to mineral tenements and minimum expenditure requirements on mineral tenements that have not been recognised as a liability or payable in the financial statements. These include commitments relating to tenement lease rentals and the minimum expenditure requirements of the Western Australian Mines Department attaching to the tenements and are subject to re-negotiation upon expiry of the exploration leases or when application for a mining licence is made.

If the Group decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the statement of financial position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations. These are necessary in order to maintain the tenements in which the Group and other parties are involved. All parties are committed to meet the conditions under which the tenements were granted in accordance with the relevant mining legislation in Western Australia.

(b) Operating Lease Commitments

	Consolidated	
	31 March 2020	30 September 2019
	\$	\$
Within one year	23,043	138,259
After one year but not more than five years	-	-
More than five years	-	-
	<u>23,043</u>	<u>138,259</u>

The Group has a commercial sub-lease on its corporate office premises. This is a non-cancellable lease expiring 1 June 2020 that has not been recognised as liability or payable in the financial statements. At the reporting date the company has not entered into a new sub-lease for its corporate office premises.

(c) Bank Guarantee

As at the 31 March 2020, the Group has outstanding \$44,683 (2019: \$44,683) as a non-current guarantee provided by the Company's bank for corporate office lease.

(d) Bonds

As at the 31 March 2020, the Group has \$117,565 outstanding as current bonds and \$57,183 as non-current bonds (2019: \$174,748) provided by the Group's bank for mineral tenements in Australia and for the corporate office lease.

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2020**

(e) Secured Loan Facility

As at the 31 March 2020, the Group has \$2.778 million outstanding as a secured loan facility (2019: Nil) provided by Ioma Pty Ltd, an entity associated with a director of the Company, Mr Philip Crabb.

At the Annual General Meeting held on 9 April 2020, shareholders approved the granting of security over the Group's assets in relation to the secured loan facility provided to the Group by Ioma Pty Ltd.

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DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Ora Gold Limited (the Company), I state that:

In the opinion of the directors:

- (1) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
- (a) giving a true and fair view of the financial position as at 31 March 2020 and the performance for the half-year ended on that date of the consolidated entity; and
 - (b) complying with Accounting Standard AASB 134: "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (2) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Dated at Perth this 5 June 2020



Frank DeMarte
Executive Director

Perth, Western Australia

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
ORA GOLD LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Ora Gold Limited, which comprises the condensed consolidated statement of financial position as at 31 March 2020, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity, and condensed consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Ora Gold Limited (the consolidated entity). The consolidated entity comprises both Ora Gold Limited (the Company) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 March 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Ora Gold Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Ora Gold Limited on 5 June 2020.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Ora Gold Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 March 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Material Uncertainty Regarding Going Concern

We draw attention to note 2 of the financial report, which describes that the financial report has been prepared on a going concern basis. At 31 March 2020, the consolidated entity had a net asset deficiency of \$2,701,020, cash and cash equivalents of \$104,984, and a net working capital deficit of \$72,802. The consolidated entity had incurred a loss for the period ended 31 March 2020 of \$1,522,637 and had net cash outflows from operating activities of \$1,502,759.

The ability of the consolidated entity to continue as a going concern and meet its planned exploration, administration, and other commitments is dependent upon the future successful raising of necessary funding through equity or borrowings, successful exploitation of the entity's exploration assets, and or sale of non-core assets. In the event that the Board cannot raise further equity, the consolidated entity may not be able to meet its liabilities as they fall due or realise its assets in the normal course of business.

Our conclusion is not modified in respect of this matter.

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

Stantons International Audit & Consulting Pty Ltd



Martin Michalik
Director

West Perth, Western Australia
5 June 2020

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