THOMSON RESOURCES LTD

ABN 82 138 358 728

ANNUAL REPORT 2020

CONTENTS & CORPORATE DIRECTORY

Board of Directors
David Williams - Executive Chairman
Richard Willson - Non-Executive Director
Eoin Rothery - Executive Director

Company Secretary
Richard Willson

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Securities Exchange Listing
Australian Securities Exchange
ASX Code: TMZ

CHAIRMAN'S REPORT

Dear Shareholder

The 2019/20 Financial Year has been one of change.

It started as the ending of an era with most members of the original Board resigning and Richard Willson and I being appointed. The one remaining constant has been our CEO, Eoin Rothery, who has continued on patiently and loyally as the new Board came to grips with the Company and where to take it. Eoin's ongoing work has been very much appreciated by Richard and myself.

The start of the year also saw the ending of the Bygoo tin project farm-in with BeiSur OstBarat Agency Ltd and the project was put on hold whilst the new Board looked to determine the direction of the Company. The Board considers the Bygoo tin project to still be a valuable asset of the Company and will be looking to develop it further during the 2020/21 financial year.

For most of the financial year the Company had minimal funds and the Board's primary focus was on how the Company could once again be adequately funded. We could see the growing appetite for gold projects, even before the COVID-19 impacts in 2020, but the Harry Smith gold project, whilst an excellent project in itself, the Board felt it was not enough to enable the Company to raise adequate funds. So, when the Yalgogrin gold project opportunity came up, the Company jumped at it and brought it into the portfolio in 2019. As it turns out there was an added benefit to that project in that it is also in the Lachlan Fold Belt, like the Harry Smith gold project.

As we moved into the 2020 calendar year and particularly with the impact of COVID-19, the markets appetite for gold and the Lachlan Fold Belt increased dramatically and so we were able to move to a capital raising towards the end of the financial year which, with it being fully underwritten, gave us the certainty of funding and hence an ability to commit to drilling programs at Harry Smith and Yalgogrin in July 2020. Unfortunately the weather conspired against us and curtailed the drilling program, but even then we were able to get some outstanding results from the maiden drilling program at Yalgogrin with results like 2m at 7.5 g/t Au in hole TGRC08 and 5m at 10.3 g/t in hole TGRC06.

Given the impacts of weather in the NSW winter and the appetite for gold, we revisited the Chillagoe gold project in Far North Queensland, which the Company had previously looked at, and were able to secure that after the end of the Financial Year.

We continue to look at further projects to bring in so as to strengthen our portfolio and whilst we are principally focused on gold, we are starting to look at other precious metals projects to provide a blend of minerals and scale, coupled with a portfolio that enables us to undertake exploration activities on the ground all year round.

We are looking at commencing a comprehensive drilling program later this calendar year which will provide an ongoing news flow from our different projects.

I would at this juncture like to thank the ongoing support we have been receiving from our new capital advisers, Pulse Markets and Fern Street Partners, who have been providing great support for us with the market and our capital raising efforts.

Finally, I would like to thank my fellow Directors, Eoin Rothery and Richard Willson, who with me have remained and worked through the tough times and helped to get the Company to a much rosier place in 2020.

We are all looking forward to the 2020/21 Financial Year which will be a much more active and positive one and we look forward to providing some reward for our loyal and patient shareholders.

David Williams

Chairman

Project Activities

Gold

While data review revealed further potential at Thomson Resources' Harry Smith gold project the major focus of the year was in seeking investment to further and extend Thomson's gold projects. In June 2020, the Company successfully commenced a capital raising by way of a fully underwritten non-renounceable rights issue. Drilling commenced at Yalgogrin (see below) in mid-July 2020.

During the year Thomson Resources entered into an agreement to acquire a new gold exploration project in the Lachlan Fold Belt in central NSW, 50km north of the Harry Smith gold project (Figures 1, 2). The 90 square km project, EL8684, "Yalgogrin gold project", covers the northwest part of the mineralised Yalgogrin Granite, with 11km of historic gold workings. Extensive rock chipping has occurred in the EL8684 area with 471 rock chip samples reported. Of these a quarter assayed over 1 g/t Au, with more than 50 samples above 4 g/t Au, ranging up to 128 g/t Au or 4 ounces of gold per ton. Very little follow up drilling has occurred in the area of EL8684, with only 71 holes reported, of which most were shallow RAB or aircore. Just 6 RC holes are reported, dating from 1987. Nevertheless, several significant gold intercepts have been made in this limited drilling including 24m at 0.8 g/t Au from 6m depth and 12m at 1.1 g/t Au from 12m depth. Data was compiled and reviewed, and a drilling plan was drawn up.

Also, in the same area, Thomson applied for a new EL which was granted as EL8946. This covered several historic gold workings to the northwest of the Yalgogrin gold field and extending over the area of Thomson's EL 8163 at Gibsonvale. EL8163 was then cancelled. (see Figures 1, 2).

Tin

The Bygoo Farm in with BeiSur OstBarat Agency Ltd. expired on 30 June 2019, meaning that the project remains 100% Thomson Resources, with no third party interest. In general, the tin market conditions deteriorated significantly during 2019-20. From a peak of $US22,000 in March 2019 the price per metric tonne of tin fell 39% to $US13,400 in March 2020. Due to this tin price collapse the investment outlook for tin projects deteriorated and the Company shelved any further work on the project during the financial year. The project remains a valuable asset and Thomson intends to undertake a program of work in 2020/21 to develop the tin projects further.

New Frontiers Co-operative Drilling Grants

During the year Thomson Resources successfully applied for, and was awarded, two grants to fund drilling on ELs 8011 and 8613 (Wilgaroon project and Wilga Downs project respectively). These are to fund diamond drilling of concealed targets – on EL8011 the target is tin-tungsten in or above the roof zone of the Wilgaroon granite and on EL8163 the target is a 1km long Tritton-type copper-zinc geophysical and geochemical anomaly at Wilga Downs. At present the Company is discussing with potential partners to complete this drilling.

Tenement Holdings and Joint Ventures

Thomson holds 8 Exploration Licenses in NSW covering 764 square kilometres, after the purchase of EL8684 and the grant of EL8964. A joint venture arrangement is in place over Havilah (EL 7391) with Silver Mines Ltd (ASX:SVL).

Competent Person

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Eoin Rothery, (MSc), who is a member of the Australian Institute of Geoscientists. Mr Rothery is a part-time employee of Thomson Resources Ltd. Mr Rothery has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Rothery consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

This announcement contains information extracted from the following reports: Thomson Resources ASX Releases 30 September 2015, 29 July 2016, 30 September 2016, 31 August 2017, 28 June 2017, 26 March 2018, 5 April 2018, 19 June 2018 and 5 July 2018 and are available to view on the website www.thomsonresources.com.au. 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. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

SCHEDULE OF TENEMENTS

As at 26 August 2020

Tenement	Tenement No.	Interest	Joint Venture Details
New South Wales			
Havilah	EL 7391	100%	Silver Mines Limited can earn 80%
Toburra	EL 8011	100%	
Wilga Downs	EL 8136	100%	
Gibsonvale	EL 8946	100%	
Bygoo	EL 8260	100%	
Mt Paynter	EL 8392	100%	
Frying Pan	EL 8531	100%	
Yalgogrin	EL 8648	100%	

EL = Exploration Licence

Note 1: BeiSur retains a First Right of Refusal on the sale of EL8531 and a preferred right to purchase tin products from that EL.

Mt Paynter Project – tin and tungsten

The Mt Paynter exploration licence (EL 8392) was granted in late 2015. The EL covers a significant tin-tungsten (Sn-W) occurrence at Mt Paynter in southern NSW. A small Inferred JORC 2004 Resource was defined on the Main Lode in 2007. This comprises 245,000 tons grading 0.45% tungsten and 0.27% tin (1100 tons of tungsten and 660 tons of tin). This information was prepared and first disclosed under the JORC Code 2004 (details in Thomson Resources release of 30 September 2015). It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. There are prospects for additional mineralisation on the main lode with potential to extend to the east and west as well as down dip. The area was significantly affected in the bushfires of 2019-20 and access has been affected.

Your Directors submit their report for the year ended 30 June 2020.

Directors

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless stated.

David Williams

Non-executive chairman

Director since 31 July 2019

David Williams is an experienced executive, having been the managing director of Marmota Limited, a gold, copper and uranium explorer in SA, the former chairman of Lithex Resources Limited, a graphite and nickel explorer, and former president of Heathgate Resources Pty Ltd, the owner and operator of the Beverley uranium mine in South Australia. He also held the position of managing director of a number of ASX listed and unlisted companies in various sectors and brings over 20 years of experience in the energy and resource industry. This has included a number of minerals companies in exploration, production, developing new mines and reviewing commerciality of existing operations. Energy sector experience has ranged from operation and expansion of gas transport infrastructure, buying and selling gas, exploration and production of oil and gas. David has demonstrated ability to develop and implement major strategic directional changes including capital raising, acquisitions and mergers, cost and labour reductions. Until 31 March 2020, David was the Chief Executive Officer of K-TIG Limited (ASX: KTG) and is currently the Executive Chairman of Patron Resources Limited, a minerals explorer primarily focused on gold in South Australia.

During the past three years David has not served as a director of any other ASX listed companies.

Eoin Rothery, MSc MAIG, RPGeo

Managing director and chief executive officer

Director since 8 July 2010

Eoin was educated at Trinity College, Dublin, Ireland and spent 10 years in the resources industry there exploring for copper, zinc, uranium, gold and silver, before emigrating to Australia in 1989. Near-mine exploration followed at the major base metal deposits of Broken Hill and Macarthur River. Moving to WA in 1997, Eoin supervised the drill out and resource estimation of the first million ounce underground gold resource at Jundee Gold Mine. At Consolidated Minerals from 2001 Eoin was in charge of the successful manganese exploration at Woodie, that discovered 15 million tons of ore, increasing both the mine life and resource base 4-fold, as well as managing successful iron ore, chromite and nickel exploration. Eoin was Managing Director of ASX listed India Resources Limited (IRL) for three years from start up in October 2006. IRL's Surda copper mine broke a 50 year production record in its first full year of production. Eoin has led Thomson Resources since 2009, through the initial IPO and the Bygoo tin discovery to the current gold exploration.

During the past three years Eoin has not served as a director of any other listed companies.

Richard Willson B.Acc, FCPA, FAICD

Non-executive director and company secretary

Director since 31 July 2019

Richard is an experienced, Non-Executive Director, Company Secretary and CFO with more than 20 years' experience predominantly within the mining and agricultural sectors for both publicly listed and private companies. Richard has a Bachelor of Accounting from the University of South Australia, is a Fellow of CPA Australia, and a Fellow of the Australian Institute of Company Directors.

He is a Non-Executive Director of Graphene Technology Solutions Limited, and the not-for-profit Unity Housing Company; and Company Secretary of a number of ASX Listed Companies. Richard is the Chairman of the Audit Committee of Titomic Limited, AusTin Mining Limited, and Unity Housing Company, and is the Chairman of the Remuneration & Nomination Committee of Titomic Limited.

During the past three years Richard has also served as a director of the following listed companies:

- Titomic Limited – appointed 27 May 2017
- AusTin Mining Limited – appointed 18 January 2013
- 1414 Degrees Limited – appointed July 2020

Lindsay Gilligan, PSM, BSc (Hons), MAppSc, MBA, FAIG, FSEG

Non-executive chairman

Director since 16 December 2009 (resigned 31 July 2019)

During the past three years Lindsay has not served as a director of any other listed companies.

Gregory Jones, BSc (Hons), MAusIMM, MAIG

Non-executive director

Director since 17 July 2009 (resigned 31 July 2019)

During the past three years Greg has also served as a director of the following listed companies:

- Variscan Mines Limited – appointed 20 April 2009, resigned 30 September 2018
- Eastern Iron Limited – appointed 24 April 2009, resigned 27 November 2017
- Silver City Minerals Limited – appointed 30 April 2009, resigned 28 February 2019
- Moly Mines Limited – appointed August 2014, resigned 17 April 2018

Antonio Belperio, PhD, BSc (Hons)

Non-executive director

Director since 17 July 2009 (resigned 31 July 2019)

During the past three years Tony has also served as a director of the following listed company:

- Minotaur Exploration Limited – appointed 22 August 2007

Directors' interests in shares and options

As at the date of this report, the interests of the Directors in the shares and options of the Company were:

	Shares directly and indirectly held	Options
E Rothery	2,110,000	5,000,000
D Williams	-	-
R Willson	-	-
L Gilligan	110,000	2,500,000
G Jones	310,000	2,500,000
T Belperio	1,500,000	2,500,000

Company Secretary (resigned 31 July 2019)

Ivo Polovineo, FIPA

Principal activities

The principal activity of the consolidated entity is exploration for the discovery and delineation of high grade base and precious metal deposits particularly within NSW and the development of those resources into cash flow generating businesses.

Results

The net result of operations of the consolidated entity after applicable income tax expense was a loss of $462,983 (2019: loss $1,029,136).

Dividends

No dividends were paid or proposed during the period.

Review of operations

A review of the operations of the Company during the financial period and the results of those operations commence on page 2 in this report.

Significant changes in the state of affairs

The Directors are not aware of any significant changes in the state of affairs of the Group occurring during the financial period, other than as disclosed in this report.

Significant events after the balance date

There were, at the date of this report, no matters or circumstances which have arisen since 30 June 2020 that have significantly affected 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, other than:

- The Company completed the fully underwritten Entitlements Issue oversubscribed by shareholders to raise $891,106 (before costs) to fund general working capital expenses and exploration activity (as more fully described at section 1.4 the Prospectus) (see ASX Release dated 13 July 2020).
- On 10 August 2020, the Company announced that it had entered into a binding agreement with Bacchus Resources Pty Ltd to acquire a 90% interest in 5 granted Exploration Permits and 1 Exploration Permit Application covering 593 square kilometres near Chillagoe, Queensland, referred to as the Chillagoe Project. Completion is subject to a number of conditions precedent including the approval of shareholders to the issue of the equity securities consideration. The equities securities consideration comprises $200,000 in fully paid ordinary shares in Thomson and 5,000,000 Options on the same terms as the options issued pursuant to the approval given by Thomson shareholders at the AGM held on 29 November 2018 in resolutions 7 to 10 (both inclusive), For further details see the ASX Release dated 10 August 2020.

- On 31 August 2020, the Company announced that it had entered into a binding agreement with Syndicate Minerals Pty Ltd to acquire a 100% interest in EL8927 situated 30km of Tenterfield in Northern NSW, referred to as the Hortons gold project. Completion is subject to a number of conditions precedent including the approval of shareholders to the issue of the equity securities consideration. The equities securities consideration comprises $200,000 in 5,700,000 fully paid ordinary shares in Thomson and 5,000,000 Options on the same terms as the options issued pursuant to the approval given by Thomson shareholders at the AGM held on 29 November 2018 in resolutions 7 to 10 (both inclusive), The consideration also includes a Net Smelter Royalty and various Performance Rights. For further details see the ASX Release dated 31 August 2020.

Likely developments and expected results

As the Company's areas of interest are at an early stage of exploration, it is not possible to postulate likely developments and any expected results. The Company is hoping to establish resources from some of its current prospects and to identify further base and precious metal targets.

Shares under option or issued on exercise of options

Details of unissued shares or interests under option for Thomson Resources Ltd as at the date of this report are:

No. shares under option	Class of share	Exercise price of options	Expiry date of options
480,000	Ordinary	$0.0525	13 Oct 20
97,879	Ordinary	$0.0613	20 Dec 20
280,000	Ordinary	$0.075	29 Mar 21
8,500,000	Ordinary	$0.06	29 Nov 21
38,802,414	Ordinary	$0.03	30 Nov 22
48,160,293			

The holders of these options do not have the right, by virtue of the option, to participate in any share issue of the Company or of any other body corporate or registered scheme.

There were no shares issued during or since the end of the financial year as a result of exercise of the above options.

Indemnification and insurance of directors and officers

Indemnification

The Company has, except as may be prohibited by the Corporations Act 2001, every officer or agent of the Company shall be indemnified out of the property of the entity against any liability incurred by him or her in their capacity as officer or agent of the Company or any related corporation in respect of any act or omission whatsoever occurring or in defending any proceedings, whether civil or criminal.

Insurance premiums

During the financial period the Company has paid premiums to insure each of the directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

The premiums paid are not disclosed as such disclosure is prohibited under the terms of the contract.

Environmental performance

Thomson Resources holds exploration licences issued by New South Wales Department of Industry – Resources and Energy, which specify guidelines for environmental impacts in relation to exploration activities. The licence conditions provide for the full rehabilitation of the areas of exploration in accordance with the Department's guidelines and standards. There have been no significant known breaches of the licence conditions.

Remuneration report (audited)

This remuneration report for the year ended 30 June 2020 outlines the remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

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 Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

Details of key management personnel (KMP)

Details of KMP including the top five remunerated executives of the Group are set out below.

Directors	
D Williams	Chairman
E Rothery	Executive Director/CEO
R Willson	Non-Executive Director and Company Secretary

Remuneration philosophy

The objective of the Company's remuneration framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders. The Board believes that executive remuneration satisfies the following key criteria:

- Competitiveness and reasonableness.
- Acceptability to shareholders.
- Performance linkage/alignment of executive compensation.
- Transparency.
- Capital management.

These criteria result in a framework which can be used to provide a mix of fixed and variable remuneration, and a blend of short and long-term incentives in line with the Company's limited financial resources.

Fees and payments to the Company's Non-Executive Directors and Senior Executives reflect the demands which are made on, and the responsibilities of, the Directors and the senior management. Such fees and payments are reviewed annually by the Board. The Company's Executive and Non-Executive Directors, Senior Executives and Officers are entitled to receive options under the Company's Employee Share Option Scheme.

Non-executive director (NED) remuneration arrangements

Directors are entitled to remuneration out of the funds of the Company but the remuneration of the Non-Executive Directors may not exceed in any year the amount fixed by the Company in general meeting for that purpose. The aggregate remuneration of the Non-Executive Directors has been fixed at a maximum of $250,000 per annum to be apportioned among the Non-Executive Directors in such a manner as the Board determines. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at Board meetings and otherwise in the execution of their duties as Directors.

The Chairman's fee is set at $60,000 p.a. and NED fees at $40,000 p.a. In addition, the NED who serves as Company Secretary receives an additional $30,000 p.a for performing the functions of the Company Secretary. At present, no Committee fees are paid to Directors.

During the Financial Year. from 1 October 2019 all directors fees were deferred and accrued, with some of the Non Executive Directors fees from 1 August 2019 also deferred and accrued.

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in employment contracts and contractors agreements. Details of these agreements are set out below.

Executive Chairman – David Williams

Effective from 1 September 2020, Mr Williams moved from non executive to Executive with the fee applying from that time being $100,000 pa plus statutory superannuation. Termination notice from that date is 3 months by Mr Williams and 6 months by the Company.

Executive Director/CEO – Eoin Rothery

Contract term: Commenced 8 July 2010. No fixed term. Prior to 1 September 2020, either party may terminate the employment with 2 months' notice. From 1 September 2020 termination notice is 3 months by Mr Williams and 6 months by the Company

Remuneration: From 1 April 2016 Mr Rothery has been on part time employment working 50% of a week with remuneration at $124,569 p.a. plus statutory superannuation. From 1 September 2020, the remuneration was increased to $180,000 pa plus statutory superannuation.

Termination payments: Prior 1 September 2020, in the case of redundancy, Mr Rothery was entitled to receive an additional 6 month severance payment. From 1 September 2020 this was reduced to 3 months.

Directors and key management personnel remuneration for the year ended 30 June 2020

	Short-term benefits	Post employment	Share-based payments		
	Cash salary and fees $	Superannuation $	Options $	Total $	Consisting of options %
Directors					
D Williams	-	-	-	-	0%
R Willson	6,454	613	-	7,067	0%
E Rothery	28,440	2,702	-	31,142	0%
L Gilligan	1,142	108	-	1,250	0%
G Jones	761	72	-	833	0%
T Belperio	761	72	-	833	0%
	37,558	3,567	-	41,125	-
Other key management personnel					
I Polovineo	2,700	-	-	2,700	0%
	40,258	3,567	-	43,825	-

A total of $211,138 in salary, fees and superannuation was accrued in the year ended 30 June 2020.

No performance based remuneration was paid in the 2020 financial period.

Directors and key management personnel remuneration for the year ended 30 June 2019

	Short-term benefits	Post employment	Share-based payments		
	Cash salary and fees $	Superannuation $	Options $	Total $	Consisting of options %
Directors					
L Gilligan	13,699	1,301	17,250	32,250	53%
E Rothery	113,762	10,807	34,500	159,069	22%
G Jones	9,132	868	17,250	27,250	63%
T Belperio	9,132	868	17,250	27,250	63%
	145,725	13,844	86,250	245,819	-
Other key management personnel					
I Polovineo	32,400	-	11,500	43,900	26%
	178,125	13,844	97,750	289,719	-

No performance based remuneration was paid in the 2019 financial period.

Compensation options: granted and vested during the year

No share based payments granted to Directors and Key Management personal during the financial year.

There were no alterations to the terms and conditions of options granted as remuneration since their grant date. There were no forfeitures during the period.

Meetings of directors

The following table sets out the number of Directors' meetings (including meetings of Committees of Directors) held during the financial year and the number of meetings attended by each director:

	Board of directors		Audit committee	
	Held	Attended	Held	Attended
D Williams	6	6	2	2
E Rothery	6	6	2	2
R Willson	6	6	2	2
L Gilligan	-	-	-	-
G Jones	-	-	-	-
T Belperio	-	-	-	-

COVID-19 Impact

COVID-19 and regulatory controls arising from it have had minimal impact on the Company. The initial stages of COVID-19 regulation, whilst impacting on both exploration activities and capital raising sentiment, did not directly impact the Company as it was not seeking to do either at that time.

As has been demonstrated, when the Company was ready to both raise capital and undertake exploration activities on its tenements in the Lachlan Fold Belt, in June/July 2020, it was able to do both with both a heavily oversubscribed fully underwritten Entitlements Issue and a drilling program. The drilling program was only impacted by the wet weather which caused the drilling to only be undertaken at the Yalgogrin gold project and not at the Harry Smith gold project.

The operation of the Company has not been impacted given Directors and administrative support are well used to operating in a virtual environment. COVID-19 restrictions have stopped the Board having face to face meetings, but this has not stopped its effective operation.

Other than availability of drilling crews, which may be slightly impacted, the Board does not consider the present level of COVID-19 restrictions will impact on it effectively carrying out its activities going forward in the foreseeable future.

The Company did not receive any JobKeeper payments during the financial year.

Auditor's Independence Declaration

To the directors of Thomson Resources Ltd

As engagement partner for the audit of Thomson Resources Ltd for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and

ii) no contraventions of any applicable code of professional conduct in relation to the audit.

BDJ Partners

………………………………………………
Anthony Dowell
Partner

2 September 2020

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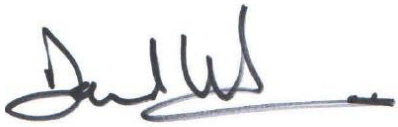
Non-audit services

The Company’s auditor, BDJ Partners did not provide non-audit services during the year ended 30 June 2020 (2019: nil). The Directors are satisfied that the provision of any non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Signed at Sydney this 4 day of September 2020 in accordance with a resolution of the Directors.



David Williams
Executive Chairman

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2020

	Note	2020 $	2019 $
Revenue	3	887	7,994
ASX and ASIC fees		(29,321)	(29,266)
Audit fees	17	(26,500)	(26,600)
Contract administration services		(25,759)	(64,056)
Depreciation expense		(848)	(1,314)
Employee costs (net of costs recharged to exploration projects)		(155,580)	(50,293)
Exploration expenditure expensed	8	(156,420)	(692,058)
Insurance		(13,555)	(15,134)
Rent		(12,200)	(18,000)
Share based payments	13	-	(97,750)
Other expenses from ordinary activities		(43,687)	(42,659)
Profit/(loss) before income tax expense		(462,983)	(1,029,136)
Income tax expense	4	-	-
Profit/(loss) after income tax expense	12	(462,983)	(1,029,136)
Other comprehensive income			
Other comprehensive income for the period, net of tax		-	-
Other comprehensive income		-	-
Total comprehensive income/(loss) attributable to members of Thomson Resources Ltd		(462,983)	(1,029,136)
Basic earnings/(loss) per share (cents per share)	14	(0.40)	(0.92)
Diluted earnings/(loss) per share (cents per share)	14	(0.40)	(0.92)

The Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Note	2020 $	2019 $
Current assets			
Cash and cash equivalents	5	38,424	220,776
Receivables	6	18,218	14,820
Tenement security deposits	7	-	50,000
Total current assets		56,642	285,596
Non-current assets			
Tenement security deposits	7	70,000	80,000
Property, plant and equipment		1,323	2,170
Deferred exploration and evaluation expenditure	8	2,460,418	2,209,347
Total non-current assets		2,531,741	2,291,517
Total assets		2,588,383	2,577,113
Liabilities			
Payables	9	258,044	28,307
Provisions	10	82,583	75,410
Total current liabilities		340,627	103,717
Non-current liabilities			
Provisions	10	-	-
Total non-current liabilities		-	-
Total liabilities		340,627	103,717
Net assets		2,247,756	2,473,396
Equity			
Contributed equity	11	8,880,678	8,643,335
Accumulated losses	12	(6,788,872)	(6,459,539)
Reserves	13	155,950	289,600
Total equity		2,247,756	2,473,396

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June 2020

	Note	2020 $	2019 $
Cash flows from operating activities			
Payment to suppliers and employees		(171,949)	(250,434)
Interest received		887	8,628
Net cash flows (used in) operating activities	24	(171,062)	(241,086)
Cash flows from investing activities			
Expenditure on mining interests (exploration)		(68,632)	(448,184)
Purchase of plant and equipment		-	-
Tenement security deposits		60,000	-
Net cash flows (used in) investing activities		(8,632)	(448,184)
Cash flows from financing activities			
Proceeds from issue of shares/share applications		-	110,000
Equity raising expenses		(2,658)	(1,884)
Net cash flows from financing activities		(2,658)	108,166
Net increase/(decrease) in cash held		(182,352)	(581,874)
Add opening cash brought forward		220,776	802,650
Closing cash carried forward	24	38,424	220,776

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2020

	Note	Issued capital $	Accumulated losses $	Reserves $	Total equity $
At 1 July 2018		8,460,208	(5,466,553)	228,000	3,221,655
Profit/(loss) for the period		-	(1,029,136)	-	(1,029,136)
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss) for the period		-	(1,029,136)	-	(1,029,136)
Transactions with owners in their capacity as owners:					
Issue of share capital, net of transaction costs		183,127	-	-	183,127
Share based payments		-	-	97,750	97,750
Expired/exercised option value transferred to Accumulated Losses		-	36,150	(36,150)	-
At 30 June 2019		8,643,335	(6,459,539)	289,600	2,473,396
At 1 July 2019		8,643,335	(6,459,539)	289,600	2,473,396
Profit/(loss) for the period		-	(462,983)	-	(462,983)
Other comprehensive income		-	-	-	
Total comprehensive income/(loss) for the period		-	(462,983)	-	(462,983)
Transactions with owners in their capacity as owners:					
Issue of share capital, net of transaction costs		237,343	-	-	237,343
Share based payments		-	-	-	-
Expired/exercised option value transferred to Accumulated Losses		-	133,650	(133,650)	-
At 30 June 2020		8,880,678	(6,788,872)	155,950	2,247,756

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

1. Corporate information

The financial report of Thomson Resources Ltd (the Company) for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the Directors on 4 September 2020.

Thomson Resources Ltd (the parent) is a company limited by shares, incorporated on 17 July 2009 and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange Ltd using the ASX code TMZ.

The consolidated financial statements comprise the financial statements of Thomson Resources Ltd and its subsidiaries (the Group or Consolidated Entity).

The nature of the operations and principal activities of the Company are described in the Directors' Report.

2. Summary of significant accounting policies

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 and Australian Accounting Standards. The financial report has been prepared on a historical cost basis. All amounts are presented in Australian dollars.

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards (IFRS).

Basis of consolidation

The consolidated financial statements comprise the financial statements of Thomson Resources Ltd (Thomson or the Company) and its subsidiaries (collectively, the Group) as at 30 June each year.

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

All intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Non-controlling interests are allocated their share of profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent. Losses are attributable to the non-controlling interest even if that results in a deficit balance.

Subsidiaries 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. At this date, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate.

Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- Plant and equipment – 5 years.

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

An item of plant and equipment is derecognised upon 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 item) is included in the income statement in the period the item is derecognised.

Borrowing costs

Borrowing costs are recognised as an expense when incurred.

Interest in jointly controlled operations – joint ventures

The Group has no current interest in exploration joint ventures that are jointly controlled. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A jointly controlled operation involves use of assets and other resources of the venturers rather than establishment of a separate entity. 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 any income that it earns from the sale of goods or services by the jointly controlled operations.

Recoverable amount of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Recoverable amount is the greater of fair value less costs to sell and value in use.

Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

The Company does not hold any assets measured at fair value through other comprehensive income.

Financial assets through profit or loss

The Company does not hold any assets measured at fair value through profit or loss.

Impairment of financial assets

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

Exploration, evaluation, development and restoration costs

Exploration and evaluation

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest.

Exploration and evaluation costs in relation to separate areas of interest for which rights of tenure are current are brought to account in the year in which they are incurred and carried forward provided that:

- Such costs are expected to be recouped through successful development and exploitation of the area, or alternatively through its sale.
- Exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Once a development decision has been taken, all past and future exploration and evaluation expenditure in respect of the area of interest is aggregated within costs of development.

Exploration and evaluation – impairment

The Directors assess at each reporting date whether there is an indication that an asset has been impaired and for exploration and evaluation cost whether the above carry-forward criteria are met.

Accumulated costs in respect of areas of interest are written off or a provision made in the Income Statement when the above criteria do not apply or when the Directors assess that the carrying value may exceed the recoverable amount. The costs of productive areas are amortised over the life of the area of interest to which such costs relate on the production output basis, provisions would be reviewed and if appropriate, written back.

Development

Development expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the directors. Such expenditure comprises net direct costs and, in the same manner as for exploration and evaluation expenditure, an appropriate portion of related overhead expenditure having a specific connection with the development property.

All expenditure incurred prior to the commencement of commercial levels of production from each development property is carried forward to the extent to which recoupment out of revenue to be derived from the sale of production from the relevant development property, or from the sale of that property, is reasonably assured.

No amortisation is provided in respect of development properties until a decision has been made to commence mining. After this decision, the costs are amortised over the life of the area of interest to which such costs relate on a production output basis.

Restoration

Provisions for restoration costs are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of one year or less. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts, if any.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Employee entitlements

Liabilities for wages and salaries are recognised and are measured as an amount unpaid at the reporting date at current pay rates in respect of an employee’s services up to that date. A liability in respect of superannuation at the current superannuation guarantee rate has been accrued at the reporting date.

Share-based payments

In addition to salaries, the Group provides benefits to certain employees (including Directors and Key Management personnel) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions").

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value of the options is determined by using the Binomial option pricing model. In valuing transactions settled by way of issue of options, no account is taken of any vesting limits or hurdles, or the fact that the options are not transferable. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting 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 income statement 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, at 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 the cancellation, and any expense not yet recognised is recognised immediately.

However, if a new award is substituted for the cancelled award and designated a replacement award on the date it is granted, the cancelled and the new award are treated as if there was 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 per share except where such dilution would serve to reduce a loss per share.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

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

Income tax

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 at the balance sheet date.

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

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

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

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 assets and unused tax losses can be utilised:

- Except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet 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.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Other taxes

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

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

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

Cash flows are included in the Cash Flow Statement on a gross basis and the GST 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 recoverable from, or payable to, the taxation authority.

Currency

Both the functional and presentation currency is Australian dollars (A$).

Investment in controlled entities

The Company's investment in its controlled entities is accounted for under the equity method of accounting in the Company's financial statements.

Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and 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).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. The 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.

Significant accounting judgements, estimates and assumptions

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

Share-based payment transactions

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

Capitalisation and write-off of capitalised exploration costs

The determination of when to capitalise and write-off exploration expenditure requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions.

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.

Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the Group, adjusted to exclude any costs of servicing equity divided by the weighted average number of ordinary shares.

Diluted earnings per share is calculated as net profit attributable to members of the Group, adjusted for:

- Costs of servicing equity.
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses.
- 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.

Going concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group recorded a loss after tax of $462,983 (2019: $1,029,136) for the year ended 30 June 2020. At 30 June 2020 the Group had cash and cash equivalents of $38,424 (2019: $285,596) and net assets of $2,247,756 (2019: $2,473,396).

On 9 June 2020 the Company announced a capital raising by way of a fully underwritten non-renounceable entitlements issue to raise up to approximately $0.89M (before expenses). Further to the successful completion of the entitlements issue, on 13 July the Company announced that it intends to undertake a placement, subject to shareholder approval, through the rights issue underwriter to raise an additional $495k (before costs). Approval for this placement is proposed to be sought at the 2020 AGM.

The Directors have prepared cash flow forecasts that support the ability of the Group to continue as a going concern for the period up to 30 June 2021. The cash flow projections assume the Group substantially increases exploration activities and receipt of funding from the placement and other capital raisings. If the placement funding or other capital raisings are not secured, the Directors are satisfied that existing cash resources remain sufficient to fund planned exploration activities and in addition, the Group is able to reduce expenditure to the level of funding available if necessary.

Accounting standards issued but not yet effective

Australian Accounting Standards and interpretations that have been issued or amended but are not yet effective have not been adopted by the Consolidated Entity for the year ended 30 June 2020. The Consolidated Entity plans to adopt these standards at their application dates.

It is anticipated that the application of these standards will not have a material effect on the Group's results or financial reports in future periods.

The Director's assessment of the impact of all other new standards and interpretations is that they will not have a material impact on the financial report of the Company.

3. Revenue from ordinary activities

	2020 $	2019 $
Interest received – other persons/corporation	887	7,994
	887	7,994

4. Income tax

	2020 $	2019 $
Prima facie income tax (credit) on operating profit/(loss) at 27.5% (2019: 27.5%)	(127,320)	(283,012)
Future income tax benefit in respect of timing differences – not recognised	-	-
Deferred income tax liability in respect of carried forward tax losses – not recognised	(127,320)	(283,012)
Income tax expense	-	-

No provision for income tax is considered necessary in respect of the Company for the period 30 June 2020.

The Group has a deferred income tax liability of Nil (2019: Nil) associated with exploration costs deferred for accounting purposes but expensed for tax purposes. This liability has been brought to account and offset by deferred tax assets attributed to available tax losses. No recognition has been given to any deferred income tax asset which may arise from available tax losses, except to the extent offset against deferred tax liabilities. The Group has estimated its losses at $6,906,433 (2019: $6,443,450) as at 30 June 2020.

A benefit of 27.5% (2019: 27.5%) of approximately $1,899,269 (2019: $1,771,949) associated with the tax losses carried forward will only be obtained if:

- The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised.
- The Company continues to comply with the conditions for deductibility imposed by the law.
- No changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the losses.

5. Cash and cash equivalents

	2020 $	2019 $
Cash at bank	38,424	45,776
Money market securities – bank deposits	-	175,000
	38,424	220,776

Bank negotiable certificates of deposit, which are normally invested between 7 and 365 days were used during the period and are used as part of the cash management function.

6. Receivables – current

	2020 $	2019 $
GST receivables	-	-
Prepayments	12,490	11,518
Interest receivable	-	-
Other debtors	5,728	3,302
	18,218	14,820

7. Tenement security deposits

	2020 $	2019 $
Current	-	50,000
Non-Current	70,000	80,000
	70,000	130,000

These deposits are restricted so that they are available for any rehabilitation that may be required on exploration tenements (refer to Note 20). The bank deposits are interest bearing.

8. Deferred exploration and evaluation expenditure

	2020 $	2019 $
Costs brought forward	2,209,347	2,441,127
Costs incurred during the period	167,491	460,278
Share issue for acquisition of exploration project	240,000	-
Expenditure written off during period	(156,420)	(692,058)
Costs carried forward	2,460,418	2,209,347
Exploration expenditure costs carried forward are made up of:		
Expenditure on joint venture areas	98,223	1,597,760
Expenditure on non joint venture areas	2,362,195	611,587
Costs carried forward	2,460,418	2,209,347

The above amounts represent costs of areas of interest carried forward as an asset in accordance with the accounting policy set out in Note 2. The ultimate recoupment of deferred exploration and evaluation expenditure in respect of an area of interest carried forward is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively sale of the underlying areas of interest for at least their carrying value. Amortisation, in respect of the relevant area of interest, is not charged until a mining operation has commenced.

9. Current liabilities – payables

	2020 $	2019 $
Trade creditors	32,819	11,321
Accrued expenses	225,225	14,000
PAYG payable	-	2,986
	258,044	28,307

10. Liabilities - provisions

	2020 $	2019 $
Current		
Annual leave	37,376	41,735
Long Service Leave	45,207	33,675
	82,583	75,410

11. Contributed equity

	2020 $	2019 $
Share capital		
118,814,189 fully paid ordinary shares (2019: 112,818,189)	9,623,978	9,383,978
Fully paid ordinary shares carry one vote per share and carry the right to dividends.		
Share issue costs	(743,300)	(740,643)
	8,880,678	8,643,335

		Number	$
Movements in ordinary shares on issue			
At 30 June 2018		103,728,149	8,958,966
Shares issued	(i)	7,000,000	350,000
Shares issued	(ii)	200,000	10,000
Shares issued	(iii)	1,000,000	34,000
Shares issued	(iv)	886,040	31,012
At 30 June 2019		112,814,189	9,383,978
Shares issued	(v)	6,000,000	240,000
At 30 June 2020		118,814,189	9,623,978

(i) In July 2018 the Company issued 7,000,000 shares at $0.05 in a private placement.

(ii) In July 2018 the Company issued 200,000 shares at $0.05 in lieu of payment of a debt to a creditor.

(iii) In August 2018 the Company issued 1,000,000 shares at $0.05 in a share placement in part consideration for a land access agreement.

(iv) In December 2018 the Company issued 886,040 shares at $0.035 in a share placement and in lieu of creditor payments.

(v) In November 2019 the Company issued 6,000,000 shares at $0.04 in consideration for the acquisition of the Yalgogrin Gold Project.

Terms and conditions of contributed equity

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Options

Options do not carry voting rights or rights to dividends until options are exercised.

12. Accumulated losses

	2020 $	2019 $
Balance at the beginning of period	(6,459,539)	(5,466,553)
Expired option value transferred to Accumulated Losses	133,650	36,150
Operating gain/(loss) after income tax expense	(462,983)	(1,029,136)
Balance at 30 June	(6,788,872)	(6,459,539)

13. Reserves/share-based payments

Reserves

	2020 $	2019 $
Balance at 1 July	289,600	228,000
Expired/exercised option value transferred to Accumulated Losses	(133,650)	(36,150)
Share-based payment expense during the financial year	-	97,750
Issue of unlisted options	-	-
Balance at 30 June	155,950	289,600

Share-based payments

The Company has established the Thomson Resources Ltd Employee Share Option Plan ("ESOP") to assist in the attraction, retention and motivation of employees of the Company. There have been no cancellations or modifications to any of the plans during 2020. At the date of this report there were 8,500,000 options issued under this ESOP.

Summary of options granted under ESOP

	2020	2019
Outstanding at the beginning of the year	14,000,000	7,000,000
Granted during the year	-	8,500,000
Forfeited/cancelled during the year	-	-
Expired during the year	(5,500,000)	(1,500,000)
Outstanding at the end of the year	8,500,000	14,000,000

The outstanding balance as at 30 June 2020 is represented by:

- 8,500,000 options exercisable at $0.06, expiry 30 November 2021

Option pricing model and terms of options

The following table lists the inputs to the options model and the terms of options granted:

Grant date	Number of options granted	Exercise price	Expiry date	Expected volatility	Risk-free rate	Expected life years	Estimated fair value	Model used	
Nov 18	8,500,000	$0.06	30 Nov 21	70.00%	2.00%	3	$0.0115	Binomial	(a)
TOTAL	8,500,000								

(a) 8,500,000 options were issued to Directors of the Company and approved by shareholders at the Company's AGM held on 30 November 2018.

Weighted average disclosures on options

	2020	2019
Weighted average exercise price of options at 1 July	$0.06	$0.06
Weighted average exercise price of options granted during period	-	$0.06
Weighted average exercise price of options exercised during period	-	-
Weighted average exercise price of options outstanding at 30 June	$0.06	$0.06
Weighted average exercise price of options exercisable at 30 June	$0.06	$0.06
Weighted average contractual life	3 years	1.60 years
Range of exercise price	$0.06-$0.06	$0.06 - $0.06

Unlisted options issued

		Number	$
Movements in unlisted options on issue			
At 30 June 2018		1,160,956	71,400
Options Issued			
At 30 June 2019		1,160,956	71,400
Options Issued		-	-
Options expired		(203,077)	(13,200)
At 30 June 2020	(i) (ii) (iii) (iv)	957,879	58,200

(i) 100,000 options were issued during the 2018 financial year with an exercise price of $0.06 per option and an expiry date of 27 August 2020, as consideration for corporate advisory services.

(ii) 480,000 options were issued during the 2018 financial year with an exercise price of $0.525 per option and an expiry date of 13 October 2020, as consideration for corporate advisory services.

(iii) 97,879 options were issued during the 2018 financial year with an exercise price of $0.0613 per option and an expiry date of 6 December 2020, as consideration for corporate advisory services.

(iv) 280,000 options were issued during the 2018 financial year with and exercise price of $0.075 per option and an expiry date of 29 March 2021, as consideration for corporate advisory services.

14. Earnings per share

	2020	2019
Net profit/(loss) used in calculating basic and diluted gain/(loss) per share	(462,983)	(1,029,136)
	Number	**Number**
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	117,863,468	111,863,468
	Cents per share	**Cents per share**
Basic earnings (loss) per share	(0.40)	(0.92)
Diluted earnings (loss) per share	(0.40)	(0.92)

15. Key management personnel

Key management personnel compensation

The aggregate compensation made to key management personnel of the Group is set out below:

	2020 $	2019 $
Short-term employee benefits	37,558	178,125
Post-employment benefits	3,567	13,844
Share-based payments	-	97,750
	41,125	289,719

A total of $211,138 in salary, fees and superannuation was accrued in the year ended 30 June 2020.

Shareholdings of key management personnel

Fully paid ordinary shares held in Thomson Resources Ltd

	Balance at 1 July no.	Granted as compen-sation no.	Issued in Share Purchase Plan no.	Issued on exercise of Options No.	Net other change (Purchased/ Sold On Market) no.	Balance at 30 June no.
2020						
E Rothery	2,110,000	-	-	-	-	2,110,000
D Williams	0					0
R Willson	0					0
L Gilligan	110,000	-	-	-	-	110,000
G Jones	310,000	-	-	-	-	310,000
T Belperio	1,500,000	-	-	-	(715,000)	785,000
I Polovineo	125,000	-	-	-	-	125,000
	4,155,000					3,440,000
2019						
L Gilligan	110,000	-	-	-	-	110,000
E Rothery	2,110,000	-	-	-	-	2,110,000
G Jones	310,000	-	-	-	-	310,000
T Belperio	1,500,000	-	-	-	-	1,500,000
I Polovineo	125,000	-	-	-	-	125,000
	4,155,000	-	-	-	-	4,155,000

Option holdings of key management personnel

Share options held in Thomson Resources Ltd

	Balance at 1 July no.	Granted as compe-nsation no.	Exercised no.	Net other change no.	Balance at 30 June no.	Balance vested at 30 June no.	Vested but not exerc-isable no.	Vested and exercise -able no.	Options vested during year no.
2020									
E Rothery	5,000,000	-	-	-	-	5,000,000	-	5,000,000	-
D Williams	-	-	-	-	-	-	-	-	
R Willson	-	-	-	-	-	-	-	-	
	5,000,000	-	-	-	-	5,000,000	-	5,000,000	-
2019									
L Gilligan	1,000,000	1,500,000	-	-	2,500,000	2,500,000	-	2,500,000	-
E Rothery	3,500,000	3,000,000	-	(1,500,000)	5,000,000	5,000,000	-	5,000,000	-
G Jones	1,000,000	1,500,000	-	-	2,500,000	2,500,000	-	2,500,000	-
T Belperio	1,000,000	1,500,000	-	-	2,500,000	2,500,000	-	2,500,000	-
I Polovineo	500,000	1,000,000	-	-	1,500,000	1,500,000	-	1,500,000	-
	7,000,000	8,500,000	-	(1,500,000)	14,000,000	14,000,000	-	14,000,00	-

16. Related party disclosures

Subsidiaries

The consolidated financial statements include the financial statements of Thomson Resources Ltd (the Parent Entity) and the following subsidiaries:

	% Equity interest	
Name and Country of incorporation	**2019**	**2018**
Lassiter Resources Pty Ltd, Australia	100	100
Riverston Tin Pty Ltd, Australia	100	100

17. Auditors' remuneration

	2020 $	2019 $
Total amounts receivable by the current auditors of the Company for:		
Audit of the Company's accounts	26,500	26,600
Other services	-	-
	26,500	26,600

18. Joint ventures

Joint venture agreements

The Company is, or has been, a party to a number of exploration joint venture agreements to explore for copper, gold, zinc, tin and lead but none are current. Under the terms of the agreements, other companies are required to contribute towards exploration and other costs if they wish to maintain or increase their percentage holdings. The joint ventures are not separate legal entities. There are contractual arrangements between the participants for sharing costs and future revenues in the event of exploration success. There are no assets and liabilities attributable to the Company at the balance date resulting from these joint ventures other than exploration expenditure costs carried forward as detailed in Note 8.

Costs are accounted for in accordance with the terms of joint venture agreements and in accordance with Note 2. One joint venture was terminated in 2019-2020.

19. Segment information

The operating segments identified by management are as follows:

Exploration projects funded directly by Thomson Resources Ltd ("Exploration")

Regarding the Exploration segment, the Chief Operating Decision Maker (the Board of directors) receives information on the exploration expenditure incurred. This information is disclosed in Note 8 of this financial report. No segment revenues are disclosed as each exploration tenement is not at a stage where revenues have been earned. Furthermore, no segment costs are disclosed as all segment expenditure is capitalised, with the exception of expenditure written off which is disclosed in Note 8.

Financial information about each of these tenements is reported to the Chief Executive Officer on an ongoing basis.

Corporate office activities are not allocated to operating segments as they are not considered part of the core operations of any segment and comprise of the following:

- Interest revenue.
- Corporate costs.
- Depreciation and amortisation of non-project specific property, plant and equipment.

20. Contingent liabilities

The Group has provided guarantees totalling $70,000 (2019: $130,000) in respect of exploration tenements in NSW as at 30 June 2020. These guarantees in respect of exploration tenements are secured against term deposits with a banking institution and cash held by the NSW Department of Planning and Environment – Resources and Energy. The Company does not expect to incur any material liability in respect of the guarantees.

21. Financial instruments

The Board as a whole is responsible for reviewing the Company's policies on risk oversight and management and satisfying itself that Senior Management have developed and implemented a sound system of risk management and internal control. The Company's risk management policy has been designed to identify, assess, monitor and manage material business risks to ensure effective management of risk. These policies are reviewed regularly to reflect material changes in market conditions and the Company's risk profile.

The main risks identified in the Company's financial instruments are capital risk, credit risk, liquidity risk, interest rate risk and commodity price risk. Summarised below is information about the Company's exposure to each of these risks, their objectives, policies and processes for measuring and managing risk, the management of capital and financial instruments.

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the Company. In order to achieve this objective, the Company seeks to maintain a sufficient funding base to enable the Company to meet its working capital and strategic investment needs.

The Board ensures costs are not incurred in excess of available funds and will seek to raise additional funding through the issue of shares for the continuation of the Company's operations when required.

The Company considers its capital to comprise of its ordinary share capital, option reserve and accumulated losses. There were no changes in the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

Financial risk management objectives

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

During the period there have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Company's risk management policies and objectives are designed to minimise the potential impacts of these risks on the results of the Company where such impacts may be material. The Board receives regular reports from the Financial Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. These risks include credit risk, liquidity risk, interest rate risk and commodity price risk. The Company does not use derivative financial instruments to hedge these risk exposures.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these risks are set out below.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company mitigates credit risk on cash and cash equivalents by dealing with banks that have high credit-ratings assigned by Standard and Poors. There is one counterparty for Cash and Cash equivalents the Commonwealth Bank of Australia. Credit risk of receivables is low as it consists predominantly of GST recoverable from the Australian Taxation Office and interest receivable from deposits held with regulated banks.

The maximum exposure to credit risk at balance date is as follows:

	2020 $	2019 $
Cash and cash equivalents	38,424	220,776
Receivables	5,729	3,302
Deposit with bank	70,000	130,000
	114,153	354,078

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligation as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

Ultimate responsibility for liquidity risk rests with the Board of Directors, who have built an appropriate risk management framework for the management of the Company's short, medium and long-term funding and liquidity requirements. The Company manages liquidity by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Company's contractual maturities of financial liabilities:

Financial liabilities	Carrying amount $	<12 months $	1-3 years $	>3 years $
2020				
Payables	258,044	258,044	-	-
	258,044	258,044	-	-
2019				
Payables	28,307	28,307	-	-
	28,307	28,307	-	-

The following table details the Company's expected maturity for financial assets:

Financial assets	Carrying amount $	<12 months $	1-3 years $	>3 years $
2020				
Cash at bank and term deposits	38,424	38,424	-	-
Receivables	18,218	18,218	-	-
Deposit with bank	70,000	-	-	70,000
	126,642	56,642	-	70,000
2019				
Cash at bank and term deposits	220,776	220,776	-	-
Receivables	3,302	3,302	-	-
Deposit with bank	130,000	50,000	-	80,000
	354,078	274,078	-	80,000

Interest rate risk

The Company's exposure to the risks of changes in market interest rates relates primarily to the Company's cash holdings and short term deposits. These financial assets with variable rates expose the Company to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Company does not engage in any hedging or derivative transactions to manage interest rate risk.

At balance date, the Company was exposed to floating weighted average interest rates as follows:

	2020 $	2019 $
Weighted average rate of cash balances	0.08%	0.08%
Cash balances	38,424	45,776
Weighted average rate of term deposits	0.00%	1.70%
Term deposits	-	175,000

The Company invests surplus cash in interest-bearing term deposits with financial institutions and in doing so it exposes itself to the fluctuations in interest rates that are inherent in such a market. Term deposits are normally invested between 7 to 90 days and other cash at bank balances are at call.

The Company's exposure to interest rate risk is set out in the table below:

Sensitivity analysis	Carrying amount $	+1.0% of AUD IR Profit $	+1.0% of AUD IR Other equity $	-1.0% of AUD IR Profit $	-1.0% of AUD IR Other equity $
2020					
Cash and cash equivalents	38,424	115	-	(115)	-
Tax charge of 30%	-	(35)	-	35	-
After tax profit increase/(decrease)	38,424	81	-	(81)	-
2019					
Cash and cash equivalents	220,776	2,208	-	(2,208)	-
Tax charge of 30%	-	(607)	-	607	-
After tax profit increase/(decrease)	220,776	1,601	-	(1,601)	-

The above analysis assumes all other variables remain constant.

Commodity price risk

The Company is exposed to commodity price risk. This risk arises from its activities directed at exploration and development of mineral commodities. If commodity prices fall, the market for companies exploring for these commodities is affected. The Company does not hedge its exposures.

Net fair value of financial assets and liabilities

The carrying amount of financial assets and liabilities of the Company approximate their net fair values, given the short time frames to maturity and or variable interest rates.

22. Commitments

Exploration licence expenditure requirements

In order to maintain the Company's tenements in good standing with the various mines departments, the Company will be required to incur exploration expenditure under the terms of each licence. Exploration licences renewed or granted in NSW after 1 July 2017 have no exploration expenditure commitment. These commitments are not binding as exploration tenements can be reduced or relinquished at any time.

	2020 $	2019 $
Payable not later than one year	0	0
Payable later than one year but not later than two years	0	0
	0	0

It is likely that the granting of new licences and changes in licence areas at renewal or expiry will change the expenditure commitment to the Company from time to time.

23. Events after the balance sheet date

There were, at the date of this report, no matters or circumstances which have arisen since 30 June 2020 that have significantly affected 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, other than:

- The Company completed the fully underwritten Entitlements Issue oversubscribed by shareholders to raise $891,106 (before costs) to fund general working capital expenses and exploration activity (as more fully described at section 1.4 the Prospectus) (see ASX Release dated 13 July 2020).

- On 10 August 2020, the Company announced that it had entered into a binding agreement with Bacchus Resources Pty Ltd to acquire a 90% interest in 5 granted Exploration Permits and 1 Exploration Permit Application covering 593 square kilometres near Chillagoe, Queensland, referred to as the Chillagoe Project. Completion is subject to a number of conditions precedent including the approval of shareholders to the issue of the equity securities consideration. The equities securities consideration comprises $200,000 in fully paid ordinary shares in Thomson and 5,000,000 Options on the same terms as the options issued pursuant to the approval given by Thomson shareholders at the AGM held on 29 November 2018 in resolutions 7 to 10 (both inclusive), For further details see the ASX Release dated 10 August 2020.
- On 31 August 2020, the Company announced that it had entered into a binding agreement with Syndicate Minerals Pty Ltd to acquire a 100% interest in EL8927 situated 30km of Tenterfield in Northern NSW, referred to as the Hortons gold project. Completion is subject to a number of conditions precedent including the approval of shareholders to the issue of the equity securities consideration. The equities securities consideration comprises 5,700,000 fully paid ordinary shares in Thomson and 5,000,000 Options on the same terms as the options issued pursuant to the approval given by Thomson shareholders at the AGM held on 29 November 2018 in resolutions 7 to 10 (both inclusive), The consideration also includes a Net Smelter Royalty and various Performance Rights. For further details see the ASX Release dated 31 August 2020.

24. Statement of cash flows

	2020 $	2019 $
Reconciliation of net cash outflow from operating activities to operating loss after income tax		
(a) Operating profit/(loss) after income tax	(462,983)	(1,029,136)
Depreciation	848	1,314
Share based payments	-	97,750
Share options expensed	-	-
Exploration costs expensed	156,420	692,058
Exploration expensed in creditors and accrual balances	-	-
Annual and long service leave expensed	7,173	824
Change in assets and liabilities:		
(Increase)/decrease in receivables (excluding bad debts & GST)	(3,398)	(2,454)
(Decrease)/increase in trade and other creditors (excluding exploration costs in creditors)	130,878	(2,162)
Net cash outflow from operating activities	(171,062)	(241,806)

(b) For the purpose of the Statement of Cash Flows, cash includes cash on hand, at bank, deposits and bank bills used as part of the cash management function. The Company does not have any unused credit facilities.

	2020 $	2019 $
The balance at 30 June comprised:		
Cash assets	38,424	45,776
Bank deposits (Note: 5)	-	175,000
Cash on hand	38,424	220,776

25. Parent entity information

	2020 $	2019 $
Current assets	196,785	385,208
Total assets	1,321,000	1,309,199
Current liabilities	340,627	103,717
Total liabilities	340,627	103,717
Issued capital	8,880,678	8,643,335
Accumulated losses	(8,069,455)	(7,763,603)
Reserves	169,150	325,750
Total shareholders' equity	980,373	1,205,482
Profit/(loss) of the parent entity	(462,452)	(1,028,872)
Total comprehensive income/(loss) of the parent entity	(462,452)	(1,028,872)

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Thomson Resources Ltd, I state that:

In the opinion of the directors:

(a) The financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:

   (i) Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the year ended on that date; and

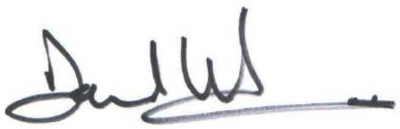
   (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

(b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2; and

(c) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

(d) 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 ending 30 June 2020.

On behalf of the Board



David Williams
Executive Chairman
4 September 2020

Independent Auditor's Report

To the members of Thomson Resources Ltd,

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Thomson Resources Ltd (the company and its subsidiaries) ("the Group"), which comprises the consolidated statements of financial position as at 30 June 2020, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, 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 performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Emphasis of Matter

We draw attention to Note 2 to the financial statements which states the Directors have prepared cash flow forecasts that support the ability of the Group to continue as a going concern for the period up to 30 June 2021 assuming substantial increases in exploration activities and receipts of funding from placements and other capital raisings. In light of the current COVID-19 pandemic and related economic impacts, if the placement funding or other capital raisings are not secured, the Directors are satisfied that existing cash resources will be sufficient to fund planned exploration activities and in addition, the Group is able to reduce expenditure to the level of funding available if necessary.

Our opinion is not modified in respect of the above matters for the financial year ended 30 June 2020.

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Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
Capitalised Deferred Exploration and Evaluation Expenditure $2.46 million Refer to Note 8	
The consolidated entity owns the rights to several exploration licenses in New South Wales. Expenditure relating to these areas is capitalised and carried forward to the extent they are expected to be recovered through the successful development of the respective area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. This area is a key audit matter due to: • The significance of the balance; • The inherent uncertainty of the recoverability of the amount involved; and • The substantial amount of audit work performed.	Our audit procedures included amongst others: • Assessing whether any facts or circumstances exist that may indicate impairment of the capitalised assets; • Performing detailed testing of source documents to ensure capitalised expenditure was allocated to the correct area of interest; • Performing detailed testing of source documents to ensure expenditure was capitalised in accordance with Australian Accounting Standards; • Obtaining external confirmations to ensure the exploration licences are current and accurate; and • Assessing the reasonableness of the capitalisation of employee's salaries.

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 conclusion thereon.

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

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

Directors' Responsibility for the Financial Report

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

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

Auditor's Responsibility 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 the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 the 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

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

In our opinion, the Remuneration Report of Thomson Resources Ltd 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.

BDJ Partners

....
Anthony Dowell
Partner

4 September 2020

ADDITIONAL INFORMATION

Information relating to shareholders

Information relating to shareholders as at 25 August 2020.

Ordinary fully paid shares

There was a total of 178,532,410 fully paid ordinary shares on issue.

Options

There are a total of 38,691,303 listed options on issue

There are a total of 9,357,879 unlisted options on issue

Substantial shareholders (as disclosed in substantial notices)	Shareholding
BACCHUS RESOURCES PTY LTD	21,000,000
AUSTRALIAN MINERAL & WATERWELL DRILLING PTY LTD	21,000,000

‘It is noted that BACCHUS RESOURCES PTY LTD is the registered holder of 11,000,000 shares, and AUSTRALIAN MINERAL & WATERWELL DRILLING PTY LTD 10,000,000 shares.’

At the prevailing market price of $0.04 per share, there were 94 shareholders with less than a marketable parcel of $500.

Top 20 shareholders of ordinary shares	Number	%
SYNDICATE MINERALS PTY LTD	12,405,069	6.95
BACCHUS RESOURCES PTY LTD	11,000,000	6.16
AUSTRALIAN MINERAL & WATERWELL DRILLING PTY LTD	10,000,000	5.60
MR DAVID ANTHONY WARD & MS JENNIFER ANN NASH <PEEL TOUT A/C>	6,000,000	3.36
OPEKA DALE PTY LTD <OPEKA DALE P/L S/F NO 2 A/C>	5,500,000	3.08
MINOTAUR RESOURCES INVESTMENTS PTY LTD	4,840,677	2.71
VOLVERA GLOBAL ENTERPRISES LTD	4,800,000	2.69
KEN FLO PTY LTD <KENFLO SF A/C>	4,402,365	2.47
SPRING CREEK EQUITIES PTY LTD <RIVERSDALESPRING CRK FAM AC>	4,000,000	2.24
LEE KIM YEW	3,750,000	2.10
MR RICHARD KENNETH MAISH	3,500,000	1.96
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	3,296,367	1.85
CURRACLOE PTY LTD <ROTHERY SUPER FUND A/C>	3,165,000	1.77
SUCCESS INVESTMENTS PTY LTD	2,725,000	1.53
MR SCOTT DAVID DEAKIN <DEAKIN FAMILY A/C>	2,378,242	1.33
MR GEORGE DAVID BUTKERAITIS	2,279,600	1.28
MR NICHOLAS JEFFREY MOSS & MS GERMEEN KALDAS	2,001,963	1.12
WANG JIN	2,000,000	1.12
STEADYGROWTH FUND PTY LTD	2,000,000	1.12
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,953,750	1.09
Total of top 20 holdings	**91,998,033**	**51.53**
Other holdings	86,534,377	48.47
Total fully paid shares issued	**178,532,410**	**100.00**

ADDITIONAL INFORMATION

Listed Options $0.03 Exp 30 November 2022	Number	%
MR JACK THOMAS JOHNS <JTJ INVESTMENT A/C>	4,560,000	11.79
RAXIGIPTY LIMITED	4,433,333	11.46
GASFIELDS PTY LTD	4,092,623	10.58
AUSTRALIAN MINERAL & WATERWELL DRILLING PTY LTD	3,333,334	8.62
MINOTAUR RESOURCES INVESTMENTS PTY LTD	2,450,000	6.33
QBC HOLDINGS PTY LTD	2,000,000	5.17
MR MICHAEL STUKE & MRS ELEONORA STUKE	1,900,000	4.91
BACCHUS RESOURCES PTY LTD	1,666,667	4.31
MR RICHARD KENNETH MAISH	1,166,667	3.02
KEN FLO PTY LTD <KENFLO SF A/C>	1,111,374	2.87
SUCCESS INVESTMENTS PTY LTD	800,000	2.07
MR JACK THOMAS JOHNS & MRS GABRIELLE LOUISE JOHNS <THE	740,000	1.91
OPEKA DALE PTY LTD <OPEKA DALE P/L S/F NO 2 A/C>	666,667	1.72
MR DAVID ANTHONY WARD & MS JENNIFER ANN NASH <PEEL TOUT A/C>	666,667	1.72
MERCHANT CAPITAL PARTNERS PTY LTD	633,334	1.64
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	622,228	1.61
CURRACLOE PTY LTD <ROTHERY SUPER FUND A/C>	351,667	0.91
MR GEORGE EVAN LOUIZIDIS	333,334	0.86
MR GEORGE DAVID BUTKERAITIS	333,334	0.86
MR KENNETH YU	333,000	0.86
Total securities of top 20 holdings	**32,194,229**	**83.21**
Other holdings	6,497,074	16.79
Total of securities	**38,691,303**	**100.00**

Voting rights

There are no restrictions on voting rights. On a show of hands every member present or by proxy shall have one vote and upon a poll each share shall have one vote. Where a member holds shares which are not fully paid, the number of votes to which that member is entitled on a poll in respect of those part paid shares shall be that fraction of one vote which the amount paid up bears to the total issued price thereof.

Optionholders have no voting rights until the options are exercised.

(a) There is no current on-market buy-back.

Distribution of shareholders		
Range	No of shareholders	Ordinary shares
1 – 1,000	14	2,462
1,001 – 5,000	6	18,427
5,001 – 10,000	73	717,344
10,001 – 100,000	250	11,237,532
100,001 – and over	202	166,556,645
	545	**178,532,410**

Distribution of holders of listed options		
Range	**No of optionholders**	**Options**
1 – 1,000	5	140
1,001 – 5,000	20	56,306
5,001 – 10,000	13	96,206
10,001 – 100,000	56	2,646,633
100,001 – and over	40	35,892,018
	134	**38,691,303**

Distribution of holders of unlisted options		
Range	**No of optionholders**	**Options**
1 – 1,000	0	0
1,001 – 5,000	0	0
5,001 – 10,000	0	0
10,001 – 100,000	0	0
100,001 – and over	6	9,457,879
	6	**9,457,879**

Corporate governance statement

Thomson Resources is committed to ensuring that its policies and practices reflect a high standard of corporate governance. The Board had adopted a comprehensive framework of Corporate Governance Guidelines.

The Group's Corporate Governance Statement can be viewed at: www.thomsonresources.com.au/company-profile/corporate-governance