AusTinMining

AUS TIN MINING LIMITED
AND CONTROLLED ENTITIES
ABN: 84 122 957 322

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 30 JUNE 2020

AusTinMining

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2020

	Notes	2020 $	2019 $
Revenue	2	69,940	-
Cost of sales		(61,147)	-
Gross profit		**8,793**	**-**
Other income	2	44,046	643
Other expenses	3	(2,295,819)	(4,853,846)
Loss before income tax and net finance expenses		**(2,242,980)**	**(4,853,203)**
Finance income	2	12,246	11,174
Financial expenses	3	(5,702)	(1,566)
Loss before income tax expense		**(2,236,436)**	**(4,843,595)**
Income tax expense	4	(8,804)	(65,222)
Loss for the year attributable to owners of the Company		**(2,245,240)**	**(4,908,817)**
Other comprehensive income		-	-
Total comprehensive loss for the year attributable to owners of the Company		**(2,245,240)**	**(4,908,817)**

Earnings per share attributable to owners of the Company		Cents per share	Cents per share
Basic earnings per share	8	(0.1)	(0.3)
Diluted earnings per share	8	(0.1)	(0.3)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2020

	Notes	2020 $	2019 $
Current assets			
Cash and cash equivalents	9	4,066	470,230
Trade and other receivables	10	18,282	63,636
Inventories	11	-	61,147
Other current assets	12	37,023	180
Total current assets		**59,371**	**595,193**
Non-current assets			
Other financial assets	13	746,777	745,789
Property, plant and equipment	15	334,458	825,912
Exploration and evaluation assets	16	11,363,661	11,096,054
Total non-current assets		**12,444,896**	**12,667,755**
Total assets		**12,504,267**	**13,262,948**
Current liabilities			
Trade and other payables	17	2,735,196	1,394,994
Borrowings	18	2,607,905	3,941,004
Total current liabilities		**5,343,101**	**5,335,998**
Non-current liabilities			
Provisions	19	628,335	628,335
Total non-current liabilities		**628,335**	**628,335**
Total liabilities		**5,971,436**	**5,964,333**
Net assets		**6,532,831**	**7,298,615**
Equity			
Issued capital	20	23,884,271	22,404,815
Reserves		1,707,182	1,707,182
Accumulated losses		(19,058,622)	(16,813,382)
Total equity attributable to owners of Aus Tin Mining Ltd		**6,532,831**	**7,298,615**

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2020

	Issued Capital $	Share Based Payment Reserve	Accumulated Losses $	Total Equity $
Balance at 1 July 2018	**20,456,695**	**1,675,060**	**(11,904,565)**	**10,227,190**
Loss for the year	-	-	(4,908,817)	(4,908,817)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	(4,908,817)	(4,908,817)
Transactions with owners in their capacity as owners				
Shares issued during the year	1,994,548	-	-	1,994,548
Share issue costs, net of tax	(46,428)	32,122	-	(14,306)
Balance at 30 June 2019	**22,404,815**	**1,707,182**	**(16,813,382)**	**7,298,615**
Loss for the year	-	-	(2,245,240)	(2,245,240)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(2,245,240)	(2,245,240)
Transactions with owners in their capacity as owners				
Shares issued during the year	1,500,000	-	-	1,500,000
Share issue costs, net of tax	(20,544)	-	-	(20,544)
Balance at 30 June 2020	**23,884,271**	**1,707,182**	**(19,058,622)**	**6,532,831**

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

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

	Notes	2020 $	2019 $
Cash flows from operating activities			
Receipts from customers		69,940	-
Payments to suppliers and employees (inclusive of GST)		(640,643)	(829,023)
Financial costs paid		(5,702)	(31,566)
Interest received		12,246	11,174
Government grants received		28,552	-
Payments for mining operations		(291,500)	(1,571,357)
Net cash flows from operating activities	**23**	**(827,107)**	**(2,420,772)**
Cash flows from investing activities			
Payments for property, plant and equipment		(84,550)	(159,012)
Proceeds from the sale of property, plant and equipment		50,000	
Payments for security deposits		(988)	(303,380)
Payments for exploration and evaluation assets		(27,972)	(751,933)
Net cash flows from investing activities		**(63,510)**	**(1,214,325)**
Cash flows from financing activities			
Proceeds from the issue of shares		250,000	1,394,548
Proceeds from borrowings	18	175,609	2,000,000
Repayment of borrowings		-	-
Share issue costs		(19,759)	(79,528)
Net cash flows from financing activities		**405,850**	**3,315,020**
Net increase/(decrease) in cash and cash equivalents		(484,768)	(320,077)
Cash and cash equivalents at the beginning of the year		470,230	790,307
Cash and cash equivalents at the end of the year	**9,18**	**(14,538)**	**470,230**

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

Note 1: Summary of Significant Accounting Policies

This note provides a list of all significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of Aus Tin Mining Ltd and its subsidiaries.

Corporate Information

Aus Tin Mining Ltd (the Company) is a public company limited by shares incorporated and domiciled in Australia. The Company's registered office is located at Level 27, 111 Eagle Street, Brisbane, QLD 4000.

The Company is focussed on the delivery of high-value metals critical to the energy revolution. The Company holds an exciting portfolio projects with assets at different stages of developing including operating, pre-construction, feasibility and exploration.

Basis of Preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report covers Aus Tin Mining Ltd and its subsidiaries and is presented in Australian dollars.

Compliance with IFRS
Australian Accounting Standards include Australian Equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of Aus Tin Mining Ltd comply with International Financial Reporting Standards (IFRS).

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

The full impact of the COVID-19 outbreak continues to evolve at the date of this report. In light of a new strain of coronavirus (COVID-19), the employees at project sites and offices will continue to follow government advice on prevention of this disease.

The Company's geologists, administration, technical and financial teams will work from home and will continue to progress the Company's projects using the extensive database. The Company is and will continue to support its employees as far as possible for the immediate future and will monitor the management of the workforce and interactive COVID-19 management protocols.

In addition to the above, the World Health Organisation (WHO) announced a global health emergency because of COVID-19 and the risks to the international community as the virus spreads globally. Because of the rapid increase in exposure globally, the WHO classified the COVID-19 outbreak as a pandemic. These events are having a significant impact on world stock markets, currencies and general business activities which could negatively impact the Company in a material adverse manner.

For the year ended 30 June 2020, the Group generated a consolidated loss of $2,245,240 and incurred operating cash outflows of $827,107. As at 30 June 2020 the Group had cash and cash equivalents of $4,066, net current liabilities of $5,283,730 and net assets of $6,532,831. Current liabilities included:

- Trade and other payables to the Group's major shareholder, DGR Global Ltd, totalling $1,045,922;
- Trade and other payables to Directors and management totalling $856,569.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

Note 1: Summary of Significant Accounting Policies (continued)

Basis of Preparation (continued)

Going concern (continued)

The ability of the Group to continue as a going concern is dependent upon the Group being able to manage its liquidity requirements by taking some or all of the following actions:

- Raising additional capital or securing other forms of financing, as and when necessary to meet the levels of expenditure required for the Group to continue progress its mineral properties and to meet the Group's working capital requirements; and

These conditions give rise to a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

Notwithstanding the above, the Directors consider it appropriate to prepare the financial statements on a going concern basis after having regard to the following matters:

- On 31 July 2020, the Group announced that it had appointed Bizzell Capital Partners Pty Ltd as Lead Manager for an issue of convertible notes to provide general working capital. At the date of this report, a total of $245,000 had been raised via the issue of convertible notes.
- On 17 August 2020, the Group announced that it is seeking to raise up to $3,051,996 by way of new cash and the conversion of existing debt, by undertaking a pro-rata renounceable entitlement offer.
- The Group's major shareholder, DGR Global Ltd, Directors and Management have given written assurance that they will not call for the payment of the amounts outstanding to them and will convert of all or part of the amounts owing as part of any such capital raising, dependent on shareholder approval.
- Proven ability of the Group to raise the necessary funding or settle debts via the issuance of shares, as evidenced by the raising of $250,000 in cash and settlement of debts $1,250,000 during the year ended 30 June 2020.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amount and classification of liabilities that might be required should the Group not be able to achieve the matters set out above and thus be able to continue as a going concern.

Reporting basis and conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report.

Accounting Policies

(a) New Accounting Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Group has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2019:

Reference	Title	Application date of standard	Application date for the Group
AASB 16	Leases	1 January 2019	1 July 2019

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

Note 1: Summary of Significant Accounting Policies (continued)

(a) New Accounting Standards and Interpretations (continued)

AASB 16 Leases – Impact of adoption

The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. In applying AASB 16 for the first time, the Group has used the following practical expedients permitted by the standard: the accounting for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases.

The Group is not party to any leases with a lease term of more than 12 months. The adoption of this standard did not have a material impact on the Group's financial position or financial performance.

Australian Accounting Standards and Interpretations that have been recently issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 June 2020. On evaluating these standards and interpretations, management do not expect a material impact upon the financial statements on their adoption.

The Group anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement.

(b) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Aus Tin Mining Limited and its subsidiaries as at and for the period ended 30 June each year (the "Group").

Subsidiaries

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Note 1: Summary of Significant Accounting Policies (continued)

(b) Basis of Consolidation (continued)

Investments in subsidiaries held by Aus Tin Mining Limited are accounted for at cost in the separate financial statements of the parent entity less any impairment charges. Dividends received from subsidiaries are recorded as a component of other revenues by the parent entity, and do not impact the recorded cost of the investment. Upon receipt of dividend payments from subsidiaries, the parent will assess whether any indicators of impairment of the carrying value of the investment in the subsidiary exist. Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or discount on acquisition.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

Non-controlling interests are allocated their share of net profit after tax in the profit or loss and presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent.

Losses are attributed to the non-controlling interest even if that results in a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

Note 1: Summary of Significant Accounting Policies (continued)

(c) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

(d) Operating Segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This may include start-up operations which are yet to earn revenues.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

(e) Cash and Cash Equivalents

For the Statement of Cash Flows, cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

Note 1: Summary of Significant Accounting Policies (continued)

(f) Trade and other receivables

Receivables, generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

The Group has not recognised any expense in profit or loss in respect of the expected credit losses for the year ended 30 June 2020 (2019: Nil). Based on the historical recovery of receivables and available forward looking information, the Group considers that any adjustment to allowance for expected credit losses is immaterial.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of mining stocks includes direct materials, direct labour, transportation costs and variable and fixed overhead costs relating to mining activities.

(h) Financial Instruments

Recognition and Initial Measurement
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised in the Group statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are only offset and the net amount reported in the consolidated statement of financial position and profit or loss when there is a currently enforceable legal right to offset the recognised amounts and the Group intends to settle on a net basis or realise the asset and liability simultaneously.

Financial instruments are generally measured at initial recognition fair value and adjusted for transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Financial assets

Financial assets at amortised cost
Financial assets are measured at amortised cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows: and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principle amount outstanding.

Financial assets at amortised costs are subsequently measured using the effective interest (EIR) method and are subject to an impairment assessment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
Upon initial recognition Aus Tin Mining can elect to classify irrevocably its equity investments as equity instruments designated a fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

Note 1: Summary of Significant Accounting Policies (continued)

(h) Financial Instruments (continued)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a twelve-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next twelve months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Financial liabilities

The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics. All purchases of financial liabilities are recorded on trade date, being the date on which the Group becomes party to the contractual requirements of the financial liability. Unless otherwise indicated the carrying amounts of the Group's financial liabilities approximate to their fair values.

Financial liabilities measured subsequently at amortised cost
Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated at FVTPL, are measured subsequently at amortised cost. The Group's financial liabilities comprise of trade and other payables which are measured at amortised cost.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

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

A financial liability (in whole or in part) is derecognised when the Group has extinguished its contractual obligations, it expires or is cancelled. Any gain or loss on derecognition is taken to the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

Note 1: Summary of Significant Accounting Policies (continued)

(i) Property, Plant & Equipment

Property, plant & equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

The cost of property, plant & equipment constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate portion of fixed and variable costs. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial year in which they are incurred.

Depreciation
The depreciable amount of all property, plant & equipment is depreciated over their useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

Class of Property, plant & equipment	*Depreciation*
Leased Motor Vehicles	20% Straight line
Office Equipment	20% - 33.3% Straight line
Plant and Equipment (Granville)	67% Straight line

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss.

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

(j) Exploration and Evaluation Assets

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but do not include overheads or administration expenditure not having a specific nexus with a particular area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing.

A regular review has been undertaken on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

A provision is raised against exploration and evaluation expenditure where the Directors are of the opinion that the carried forward net cost may not be recoverable or the right of tenure in the area lapses. The increase in the provision is charged against the results for the year. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

Note 1: Summary of Significant Accounting Policies (continued)

(j) Exploration and Evaluation Assets (continued)

Costs of site restoration are provided over the life of the area from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structure, waste removal, and rehabilitation of the site in accordance with clauses of mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that restoration will be completed within one year of abandoning the site.

(k) Impairment of Non-Financial Assets

At each reporting date, the Group reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(l) Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30-60 days of recognition.

(m) Provisions and Employee Benefits

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.

When the Group expects some or all of a provision to be reimbursed, 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 profit or loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee benefits

(i) Wages, salaries and annual leave
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

Note 1: Summary of Significant Accounting Policies (continued)

(m) Provisions and Employee Benefits (continued)

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wages and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(n) Leases

For any new contracts entered into after 1 July 2019, the Group considers whether the contract is or contains a lease. For those contracts that fall within the exemptions of AASB 16 and are classified as short term, these are charged as expenses on a straight-line basis over the period of the lease. For all other leases, the Group recognises a right-of-use asset and a lease liability on the Statement of Financial Position. For the year ended 30 June 2020, the Group was not party to any leases that are not classified as short term.

(o) Share Capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit.

(p) Share-Based Payments

The Group may provide benefits to Directors, employees or consultants in the form of share-based payment transactions, whereby services may be undertaken in exchange for shares or options over shares ("equity-settled transactions").

The fair value of shares and options granted to Directors, employees and consultants is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the recipients become unconditionally entitled to the instruments. For options, fair value is determined using a Black-Scholes option pricing model.

Where the terms of equity instruments granted are modified, the expense continues to be recognised from grant date to vesting date as if the terms had never been changed. In addition, a further expense is recognised for any increase in fair value of the transaction as a result of the change.

Where equity instruments granted are cancelled, they are treated as if vesting occurred on cancellation and any unrecognised expenses are taken immediately to the profit or loss. If new instruments are substituted for the cancelled instruments and designated as a replacement, the combined impact of the cancellation and replacement instruments are treated as if they were a modification.

Note 1: Summary of Significant Accounting Policies (continued)

Accounting Policies (continued)

(q) Revenue

The Group generates revenue from the sale of processed tin concentrate to an external customer. Revenue from contracts with customers is recognised when control of the goods and services is transferred to a customer at an amount that reflects the consideration to which the Group expects to be entitled to receive in exchange for those goods and services.

Sale of Tin
The Group's performance obligation on sale of processed tin concentrates is fulfilled when the concentrate is delivered to the buyer ex works Granville mine.

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

All revenue is stated net of the amount of goods and services tax (GST).

Note 1: Summary of Significant Accounting Policies (continued)

Accounting Policies (continued)

(r) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The charge for current income tax expense is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is recognised for all respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates expected to apply to the period when the asset is realised or liability is settled based on tax rates (and laws) that have been enacted or substantially enacted by the reporting date.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences and unused tax losses can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Current and deferred tax is recognised in profit or loss, except to the extent it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Aus Tin Mining Ltd and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Aus Tin Mining Ltd is responsible for recognising the current tax assets and liabilities and deferred tax assets attributable to tax losses for the tax consolidation group. The tax consolidated group have entered a tax funding agreement whereby each company in the tax consolidation group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidation group.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2020

Note 1: Summary of Significant Accounting Policies (continued)

Accounting Policies (continued)

(s) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST except where 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.

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 statement of financial position.

Cash flows are included in the statement of cash flows 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.

(t) Earnings per Share

Basic earnings per share is calculated as net profit (loss) attributable to owners of the Company, adjusted to exclude any costs of servicing equity other than ordinary shares, divided by the weighted average number of ordinary shares (including collateral shares) outstanding during the year, adjusted for any bonus element.

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:
- The after tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(u) Comparatives

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

(v) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2020

Note 1: Summary of Significant Accounting Policies (continued)

Accounting Policies (continued)

(w) Convertible notes

Under AASB 9, where a financial liability has been designated at FVTPL, fair value changes related to changes in the entity's 'own credit risk' are recognised in other comprehensive income (OCI), while all other fair value changes are recognised in profit or loss.

(x) Borrowing costs

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

(y) Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates – impairment of non-financial assets

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Where applicable, value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key judgements – exploration & evaluation assets

The Group performs regular reviews on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. These reviews are based on detailed surveys and analysis of drilling results performed to reporting date.

The Directors have assessed that for the exploration and evaluation assets recognised at 30 June 2020, the facts and circumstances do not suggest that the carrying amount of an asset may exceed its recoverable amount. In considering this the Directors have had regard to the facts and circumstances that indicate a need for impairment as noted in Accounting Standard AASB 6 "Exploration for and Evaluation of Mineral Resources".

Exploration and evaluation assets at 30 June 2020 were $11,363,661 (2019: $11,096,054).

Key judgements – share-based payment transactions

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2020

Note 1: Summary of Significant Accounting Policies (continued)

Accounting Policies (continued)

(z) Critical Accounting Estimates and Judgments (continued)

Key judgements – convertible notes

The Group's convertible notes have been treated as a financial liability, in accordance with the principles set out in AASB 132. The key criterion for liability classification is whether there is an unconditional right to avoid delivery of cash for another financial asset to settle the contractual obligation. The terms and conditions applicable to the convertible notes require the Group to settle the obligation in either cash, or in the Company's own shares.

The notes are convertible into ordinary shares of the parent entity, at the option of the holder, or repayable in24 months from draw-down date. The conversion rate is based on a variable formula subject to adjustments for share price movement. Management determined that these terms give rise to a derivative financial liability. The initial consideration received for the note was deemed to be fair value of the liability at the issue date. The liability will subsequently be recognised on a fair value basis at each reporting period.

	2020 $	2019 $
Note 2. Revenue, other income and finance income		
Revenue		
- Sale of processed tin concentrates	69,940	-
Total Revenue	**69,940**	**-**
Other Income		
- Other income	44,046	643
Total Other Income	**44,046**	**643**
Finance Income		
- Interest income	12,246	11,174
Total Finance Income	**12,246**	**11,174**

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2020

Note 3: Production costs, other expenses and finance expenses

	2020 $	2019 $
Production costs		
Opening inventory	61,147	1,014,235
Employment and labour expenses	-	333,555
Chemicals and consumables	-	8,190
Laboratory expenses	-	12,299
Ore processing	-	-
Provision for impairment	-	(1,307,132)
Closing inventory	-	(61,147)
Total production costs	**61,147**	**-**
Other expenses		
Administration and consulting expense	528,502	813,116
Management fees	192,000	192,000
Employee benefits expense	482,850	258,748
Exploration costs written off	-	-
Depreciation and amortisation	521,494	39,475
Legal expenses	25,671	12,171
Share based payments expense in respect of employee benefits expense	-	-
Movement in fair value of convertible notes	(118,404)	1,056,282
Other Granville operating costs	663,706	1,174,922
Provision for impairment	-	1,307,132
Total other expenses	**2,295,819**	**4,853,846**
Finance expenses		
Interest expense	5,702	1,566
Total finance expenses	**5,702**	**1,566**

Note 4: Income tax

Components of tax expense / (benefit) comprise:		
Current tax	-	-
Deferred tax	8,804	65,222
	8,804	**65,222**
Components of tax recognised directly in equity comprise:		
Deferred tax	(8,804)	(65,222)
	(8,804)	**(65,222)**
The prima facie tax on profit / (loss) before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on profit / (loss) before income tax at 30% (2019: 30%)	(670,931)	(1,453,079)
Add tax effect of:		
Derecognition of tax losses	497,316	1,447,171
Share based payments		-
Other	182,419	71,130
Less tax effect of:		
Recognition of tax losses	-	-
Income tax expense	**8,804**	**65,222**

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2020

Note 4: Income tax (continued)

	30 June 2019 $	Net charged to income	Net charged to equity	30 June 2020 $
Recognised deferred tax assets				
Unused tax losses	2,902,782	157,061	-	3,059,843
Deductable temporary differences	136,820	17,089	-	153,909
Capital raising costs in equity	63,617	(24,105)	8,804	48,316
Potential benefit at 30%	**3,103,219**	**150,045**	**8,804**	**3,262,068**
Recognised deferred tax liabilities				
Convertible note	282,301	(35,521)	-	246,780
Exploration and evaluation assets	(3,385,520)	(123,328)	-	(3,508,848)
Potential benefit at 30%	**(3,103,219)**	**(158,849)**	**-**	**(3,262,068)**
Net deferred tax recognised	**-**	**(8,804)**	**8,804**	**-**
Unrecognised deferred tax assets				
Unrecognised tax losses	26,948,174	(8,120,094)	-	18,828,080
Unrecognised deferred tax assets	8,084,452	(7,982,578)	-	101,874

	30 June 2018 $	Net charged to income	Net charged to equity	30 June 2019 $
Recognised deferred tax assets				
Unused tax losses	2,959,331	(56,549)	-	2,902,782
Deductable temporary differences	117,186	19,634	-	136,820
Capital raising costs in equity	32,606	(34,211)	65,222	63,617
Potential benefit at 30%	**3,109,123**	**(71,126)**	**65,222**	**3,103,219**
Recognised deferred tax liabilities				
Convertible note	(4,583)	286,884	-	282,301
Exploration and evaluation assets	(3,104,540)	(280,980)	-	(3,385,520)
Potential benefit at 30%	**(3,109,123)**	**5,904**	**-**	**(3,103,219)**
Net deferred tax recognised	**-**	**(65,222)**	**65,222**	**-**
Unrecognised deferred tax assets				
Unrecognised tax losses	20,176,548	6,771,626	-	26,948,174
Unrecognised deferred tax assets	6,052,964	2,031,488	-	8,084,452

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2020

Note 5. Key Management Personnel

Key Management Personnel Compensation

The total remuneration of Key Management Personnel for the year was as follows:

	2020 $	2019 $
Short term employee benefits	487,282	551,500
Post-employment benefits	17,821	19,308
Total	**505,103**	**570,808**

Note 6. Dividends and Franking Credits

There were no dividends paid or recommended during the year or since the end of the year (2019: none). There are no franking credits available to shareholders of the Company (2019: none).

	2020 $	2019 $
Note 7. Auditors Remuneration		
BDO Audit Pty Ltd:		
Audit and review of the financial reports	71,200	68,860
	71,200	**68,860**

Note 8. Earnings Per Share (EPS)

(a) Earnings	2020 $	2019 $
Earnings used to calculate basic and diluted EPS	(2,245,240)	(4,908,817)
	Number of Shares	**Number of Shares**
(b) Weighted average number of shares and options		
Weighted average number of ordinary shares outstanding during the year, used in calculating basic earnings per share	2,550,037,058	2,004,803,860
Weighted average number of dilutive options outstanding during the year		
Weighted average number of ordinary shares and potential ordinary shares outstanding during the year, used in calculating diluted earnings per share	2,550,037,058	2,004,803,860

Options are not considered dilutive as they are currently out of the money. Options may become dilutive in the future.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2020

	2020 $	2019 $
Note 9. Cash and Cash Equivalents		
Cash at bank	4,066	470,230
	4,066	**470,230**
Note 10. Trade and Other Receivables		
GST receivable	18,282	63,636
	18,282	**63,636**

Receivables are non-interest bearing and are generally on 30-60 day terms. No allowance for expected credit losses has been recorded for the current and previous financial year.

Due to the short term nature of these receivables, their carrying value is assumed to approximate fair value. The maximum exposure to credit risk is the carrying value of receivables. Collateral is not held as security.

The receivables are not exposed to foreign exchange risk.

Note 11. Inventories	2020 $	2019 $
Ore stockpiles	243,987	243,987
Tin in tailings	1,063,145	1,063,145
Finished goods	-	61,147
Provision for impairment	(1,307,132)	(1,307,132)
	-	**61,147**

The Group undertook a strategic review of Granville in September 2019 in order to determine the most economically efficient means of extracting value from the project. Post the strategic review, it was decided to place Granville on care and maintenance until a suitable mine fleet is available and additional equipment is installed at the plant. The Group have assessed and considered it prudent to maintain the provision for impairment against the Ore stockpiles and Tin in tailings recognised in the prior year.

Note 12 Other Current Assets

	2020 $	2019 $
Prepayments	37,023	180
	37,023	**180**
Note 13. Other Financial Assets		
Security deposits	746,777	745,789
	746,777	**745,789**

Note 14 Controlled Entities

The group's principal subsidiaries at 30 June 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Controlled Entities	Country of Incorporation	Principal Activity	Principle Place of Business	Percentage owned 2020	Percentage owned 2019
New England Tin Pty Ltd	Australia	Mineral Exploration	Australia	100%	100%
Taronga Mines Pty Ltd	Australia	Mineral Exploration	Australia	100%	100%
Tenstar Mining Pty Ltd	Australia	Mine Development	Australia	100%	100%

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2020

Note 15. Property, Plant and Equipment	2020 $	2019 $
Freehold land		
At cost	183,030	183,030
Accumulated depreciation	-	-
Written down value	**183,030**	**183,030**
Plant and equipment		
At cost	999,698	974,697
Accumulated depreciation	(853,039)	(340,466)
Written down value	**146,659**	**634,231**
Motor vehicles		
At cost	54,502	54,502
Accumulated depreciation	(50,319)	(47,319)
Written down value	**4,183**	**7,183**
Office equipment		
Office equipment – at cost	7,359	7,359
Accumulated depreciation	(6,773)	(5,891)
Written down value	**586**	**1,468**
Total written down value	**334,458**	**825,912**

Reconciliation of carrying amounts at the beginning and end of the year

	Freehold land $	Plant and equipment $	Motor vehicles $	Office equipment $	Total $
Year ended 30 June 2020					
At 1 July 2019 net of accumulated depreciation	183,030	634,231	7,183	1,468	825,912
Additions	-	80,000	-	-	80,000
Disposals	-	(49,960)	-	-	(49,960)
Depreciation charge for the year	-	(517,612)	(3,000)	(882)	(521,494)
At 30 June 2020 net of accumulated depreciation	**183,030**	**146,659**	**4,183**	**586**	**334,458**

	Freehold land $	Plant and equipment $	Motor vehicles $	Office equipment $	Total $
Year ended 30 June 2019					
At 1 July 2018 net of accumulated depreciation	183,030	32,462	10,193	2,354	228,039
Additions	-	159,013	-	-	637,348
Additions – recognition of Granville Rehabilitation Provision		478,335			
Disposals	-	-	-	-	-
Depreciation charge for the year	-	(35,579)	(3,010)	(886)	(39,475)
At 30 June 2019 net of accumulated depreciation	**183,030**	**634,231**	**7,183**	**1,468**	**825,912**

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2020

	2020 $	2019 $
Note 16. Exploration and Evaluation Assets		
Exploration and evaluation assets	**11,363,661**	**11,096,054**
Movements in carrying amounts		
Balance at the beginning of the year	11,096,055	10,348,619
Expenditure during the year	267,606	747,435
Written-off during the year	-	-
Balance at the end of the year	**11,363,661**	**11,096,054**

The recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation or, alternatively, sale of the respective areas of interest.

	2020 $	2019 $
Note 17. Trade and Other Payables		
Trade creditors	1,534,730	856,236
Accrued expenses	308,969	208,718
Employee benefits	656,217	274,811
Other payables	235,280	55,229
	2,735,196	**1,394,994**

Trade and other payables are non-interest bearing and are generally on 30-60 day terms.

Due to the short term nature of these payables, their carrying value is assumed to approximate fair value.

Note 18. Borrowings

	2020 $	2019 $
Unsecured		
Bank overdraft	18,604	-
Short term loan – third party	16,701	-
Secured		
Convertible note at fair value through profit or loss	2,572,600	3,941,004
Total borrowings	**2,607,905**	**3,941,004**
Movements in carrying value of convertible note at fair value through profit or loss		
Opening balance	3,941,004	1,484,722
Face value of convertible notes issued	-	2,000,000
Repayments during the year	(1,250,000)	(600,000)
Movement in fair value	(118,404)	1,056,282
Total convertible note at fair value through profit of loss	**2,572,600**	**3,941,004**

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2020

Note 18. Borrowings (continued)

On 20 April 2018, Aus Tin Mining Ltd entered into a Convertible Security Funding Agreement (CFSA) with The Australian Special Opportunity Fund LP for an aggregate of $2.5 million. On 17 December 2018, Aus Tin Mining Ltd agreed that The Australian Special Opportunity Fund LP will advance a further $1.0 million bringing the total draw down under the CFSA to $3.5 million at 30 June 2020.

The principal terms of the Convertible Notes issued by Aus Tin Mining were as follows:

Issue Amount:	$3.5 million
Issue Price:	Face value of $4.2 million
Interest Rate:	10% per annum
Interest Payments:	Interest paid at the end of term (included in face value)
Maturity Date:	24 months
Conversion Terms:	For the first 10 months of the CSFA, Lind may elect to convert any outstanding amounts into ordinary shares in Aus Tin Mining Limited at $0.035 per share. For months 11 to 24, Lind may convert any outstanding amounts into ordinary shares in Aus Tin Mining Limited at the lesser of $0.035 per share and 90% of the average of five (5) consecutive daily VWAPs, chosen by Lind from amongst the 20 trading days prior to conversion.
Security:	The Convertible Notes are secured by a General Security Agreement over the Company and guarantee & indemnities from its wholly owned subsidiaries.
Options:	41,250,000 options exercisable at $0.035 per share with a 36 month term (refer to note 20 (c))
Collateral Shares:	15,000,000 shares
Commitment Fee:	$75,000

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2020

Note 19. Provisions	2020 $	2019 $
Non-current		
Provision for rehabilitation	**628,335**	**628,335**

	2020 $	2019 $
Carrying amount at start of year	628,335	150,000
Additional provision recognised	-	478,335
Carrying amount at end of year	**628,335**	**628,335**

The Group has conducted an extensive review of the environmental status of the Mining Leases associated with the Granville Mine site with a view to making an assessment of the appropriate provision it should make for liabilities in respect of rehabilitation and restoration. In the course of this exercise, a detailed assessment was conducted on potential costs for future rehabilitation and accordingly an additional restoration liability of $478,335 was recognised in 2019 in line with the mine life of the Granville project. Given that the Granville project was put under care and maintenance there was no change to the rehabilitation liability in 2020.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2020

	2020 $	2019 $
Note 20. Issued Capital		
(a) Issued and paid up capital		
2,885,329,619 (2019: 2,175,364,179) ordinary shares fully paid	24,428,276	22,928,276
Share issue costs	(544,005)	(523,461)
	23,884,271	**22,404,815**

Ordinary shares participate in dividends and the proceeds on winding up the Company in proportion to the number of shares held. At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on show of hands.

(b) Reconciliation of issued and paid-up capital	Number of Shares	$
At 30 June 2018	**1,978,170,746**	**20,456,695**
17 January 2019 (1)	10,000,000	(2,261)
12 April 2019 (2)	12,396,696	147,578
24 April 2019 (3)	41,261,092	439,079
8 May 2019 (4)	21,978,022	197,309
30 May 2019 (5)	85,515,956	916,415
11 June 2019 (6)	26,041,667	250,000
At 30 June 2019	**2,175,364,179**	**22,404,815**
24 July 2019 (7)	40,322,581	248,078
26 August 2019 (8)	41,666,667	248,078
1 October 2019 (9)	107,142,857	279,886
30 October 2019 (10)	125,000,000	248,078
20 November 2019 (11)	55,555,556	98,655
13 December 2019 (12)	62,500,000	94,061
3 February 2020(13)	55,555,556	48,655
2 March 2020(14)	55,555,556	48,655
21 April 2020(15)	111,111,111	98,655
19 June 2020(16)	55,555,556	48,655
As at 30 June 2020	**2,885,329,619**	**23,884,271**

(1) On 17 January 2019, 10,000,000 ordinary shares were issued for nil consideration as collateral shares pursuant to Convertible Security Funding Agreement with the Australian Special Opportunity Fund L.P., a fund managed by the Lind Partners, net of share issue cost of $2,261.

(2) On 12 April 2019, 12,396,696 $ 0.0121 ordinary shares were issued as Conversion shares pursuant to the Convertible Security Funding Agreement with the Australian Special Opportunity Fund L.P., a fund managed by the Lind Partners, net of share issue cost of $2,422.

(3) On 24 April 2019, 41,261,092 $0.011 ordinary shares were issues pursuant to a private placement, net of share issue cost of $14,793.

(4) On 8 May 2019, 21,978,022 $0.0091 ordinary shares were issued as Conversion shares pursuant to the Convertible Security Funding Agreement with the Australian Special Opportunity Fund L.P, a fund managed by the Lind Partners, net of share issue cost of 2,691.

(5) On 30 May 2019, 85,515,956 $0.011 ordinary shares were issued. 82,727,199 ordinary shares were issued pursuant to a share purchase plan and 2,788,757 were issued in satisfaction of certain employment and contractor liabilities, net of share issue cost of $24,261.

(6) On 11 June 2019, 26,041,667 $0.0096 ordinary shares were issued as Conversion shares pursuant to the Convertible Security Funding Agreement with the Australian Special Opportunity Fund L.P, a fund managed by the Lind Partners.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2020

Note 20. Issued Capital (continued)

(b) Reconciliation of issued and paid-up capital (continued)

(7) On 24 July 2019, 40,322,581 $0.0062 ordinary shares were issued as Conversion shares pursuant to the Convertible Security Funding Agreement with the Australian Special Opportunity Fund L.P, a fund managed by the Lind Partners, net of share issue costs of $1,922.

(8) On 26 August 2019, 41,666,667 $0.006 ordinary shares were issued as Conversion shares pursuant to the Convertible Security Funding Agreement with the Australian Special Opportunity Fund L.P, a fund managed by the Lind Partners, net of share issue costs of $1,922.

(9) On 1 October 2019, 107,142,857 $0.0028 ordinary shares were issued as Conversion shares pursuant to the Convertible Security Funding Agreement with the Australian Special Opportunity Fund L.P, a fund managed by the Lind Partners, net of share issue costs of $2,114.

(10) On 30 October 2019, 125,000,000 $0.002 ordinary shares were issues pursuant to a private placement, net of share issue costs of $1,922.

(11) On 20 November 2019, 55,555,556 $0.0018 ordinary shares were issued as Conversion shares pursuant to the Convertible Security Funding Agreement with the Australian Special Opportunity Fund L.P, a fund managed by the Lind Partners, net of share issue costs of $1,345.

(12) On 13 December 2019, 62,500,000 $0.0016 ordinary shares were issued as Conversion shares pursuant to the Convertible Security Funding Agreement with the Australian Special Opportunity Fund L.P, a fund managed by the Lind Partners, net of share issue costs of $5,939.

(13) On 3 February 2020, 55,555,556 $0.0009 ordinary shares were issued as Conversion shares pursuant to the Convertible Security Funding Agreement with the Australian Special Opportunity Fund L.P, a fund managed by the Lind Partners, net of share issue costs of $1,345.

(14) On 2 March 2020, 55,555,556 $0.0009 ordinary shares were issued as Conversion shares pursuant to the Convertible Security Funding Agreement with the Australian Special Opportunity Fund L.P, a fund managed by the Lind Partners, net of share issue costs of $1,345.

(15) On 21 April 2020, 111,111,111 $0.0009 ordinary shares were issued as Conversion shares pursuant to the Convertible Security Funding Agreement with the Australian Special Opportunity Fund L.P, a fund managed by the Lind Partners, net of share issue costs of $1,345.

(16) On 19 June 2020, 55,555,556 $0.0009 ordinary shares were issued as Conversion shares pursuant to the Convertible Security Funding Agreement with the Australian Special Opportunity Fund L.P, a fund managed by the Lind Partners, net of share issue costs of $1,345.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2020

Note 20. Issued Capital (continued)

(c) Options

As at 30 June 2020, there were 105,704,485 unissued ordinary shares of Aus Tin Mining Ltd under option, held as follows:

- 31,250,000 unlisted options to take up one ordinary share in Aus Tin Mining Ltd at an exercise price of 1.35 cents issued pursuant to the Convertible Security Funding Agreement with the Australian Special Opportunity Fund L.P. The options vested immediately on grant and expire 3 November 2020.
- 41,250,000 unlisted options to take up one ordinary share in Aus Tin Mining Ltd at an exercise price of 3.5 cents issued as part of fee arrangements for entering into the Convertible Security funding agreements with The Lind Partners. The options vested immediately on grant and expire 25 June 2021.
- 16,500,000 unlisted options to take up one ordinary share in Aus Tin Mining Ltd at an exercise price of 3.5 cents issued as part of fee arrangements for entering into the Convertible Security funding agreements with The Lind Partners. The options vested immediately on grant and expire 17 January 2022.
- 7,272,727 unlisted options to take up one ordinary share in Aus Tin Mining Ltd at an exercise price of 3 cents issued as part payment to Everblu Capital Pty Ltd to act as lead manager in relation to the private placement. The options vested immediately on grant and expire 22 April 2022.
- 9,431,758 unlisted options to take up one ordinary share in Aus Tin Mining Ltd at an exercise price of 2.5 cents issued as Loyalty options on the basis of one (1) Option for every ten (10) Shares to those investors who either: a) participated in the Company's share purchase plan which closed on 24 May 2019 or b) took part in the private placement announced on 12 April 2019.

(d) Performance Shares

There were no performance shares issued or converted during the year ended 30 June 2020 (2019: nil).

(e) Capital Risk Management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure to ensure the lowest costs of capital available to the Company.

The Group's capital comprises equity as shown in the statement of financial position. The Group is not exposed to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2020

Note 21. Share-based Payments

(a) Expense

There was no share based payment expenses recognised during financial year ended 30 June 2020 (2019: $nil)

(b) Types of share-based payment plans

Employee share option plan (ESOP)

Share options are granted to employees. The employee share option plan is designed to align participants' interests with those of shareholders by increasing the value of the Company's shares.

When a participant ceases employment after the vesting of their share options, the share options are forfeited after 90 days unless cessation of employment is due to termination for cause, whereupon they are forfeited immediately or death. The Company prohibits KMP from entering into arrangements to protect the value of unvested ESOP awards.

The contractual life of each option granted is generally three (3) years. There are no cash settlement alternatives.

Each option can be exercised from vesting date to expiry date for one share with the exercise price payable in cash.

Performance Shares

The Company has established a Performance Share Plan, being a long term incentive scheme aimed at creating a stronger link between an eligible recipient's performance and reward whilst increasing Shareholder value in the Company.

There were no performance shares outstanding at 30 June 2020 (2019: nil)

(c) Summaries of options granted

The following table illustrates the number (no.) and weighted average exercise prices (WAEP) of, and movements in, share based payment share options granted during the year:

	2020 No.	2020 WAEP	2019 No.	2019 WAEP
Outstanding at the beginning of the year	234,022,727	$0.019	210,250,000	$0.023
Granted during the year	9,431,758	$0.025	23,772,727	$0.033
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	(137,750,000)	$0.022	-	-
Outstanding at the end of the year	105,704,485	$0.026	234,022,727	$0.019
Exercisable at the end of the year	105,704,485	$0.026	234,022,727	$0.019

The options granted during the year represents Loyalty options on the basis of one (1) Option for every ten (10) Shares to those investors who either: a) participated in the Company's share purchase plan which closed on 24 May 2019 or b) took part in the private placement announced on 12 April 2019. Accordingly, no share based payment expense was recognised on the grant of these options. The options outstanding at 30 June 2020 had a remaining contractual life of 1.03 years and exercise price of $0.027.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2020

Note 21. Share-based Payments (continued)

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. This estimate is based on either a Black-Scholes model or Monte Carlo Simulation considering the effects of the vesting conditions, expected exercise period and the dividend policy of the Company.

Fair value of share options and assumptions	**Corporate Advisory 22 April 2019**
Number of options	7,272,727
Share price at issue date	$0.011
Exercise price	$0.03
Expected volatility	97.4%
Option life	3.0 years
Expected dividends	0.00%
Risk-free interest rate (short-term)	1.27%
Valuation methodology	Black-Scholes
Fair value	$0.004

For the financial year ended 30 June 2020	
Share based payments expense recognised in statement of profit or loss and comprehensive income	-
Share based payments expense recognised as share issue costs	-
Share based payments expense to be recognised in future periods	-

For the financial year ended 30 June 2019	**A$**
Share based payments expense recognised in statement of profit or loss and comprehensive income	-
Share based payments expense recognised as share issue costs	32,122
Share based payments expense to be recognised in future periods	-

The calculation of the volatility of the share price on the above options was based on the Company's daily closing share price over the three-year period prior to the date the options were issued.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2020

	2020 $	2019 $
Note 22. Accumulated Losses		
Accumulated losses at the beginning of the year	(16,813,382)	(11,904,565)
Losses after income tax expense	(2,245,240)	(4,908,817)
Accumulated losses	**(19,058,622)**	**(16,813,382)**

	2020 $	2019 $
Note 23. Cash Flow Reconciliation		
Loss after income tax	(2,245,237)	(4,908,817)
Non-cash items		
- Depreciation and amortisation	521,494	39,474
- Movement in fair value of convertible notes	(118,404)	1,056,282
- Provision for impairment of inventory recognised	-	1,372,354
- Income tax expense	8,804	65,222
Changes in operating assets and liabilities*		
(Increase) decrease in trade and other receivables	45,354	(1,451)
(Increase) decrease in prepayments	24,304	120,899
(Increase) decrease in inventories	-	(354,043)
Increase (decrease) in trade and other payables	936,578	189,308
Net cash flows from operating activities	**(827,107)**	**(2,420,772)**

* Net of amounts relating to exploration and evaluation assets.

Non-cash investing & financing activities		
Shares issued to settle convertible notes	1,250,000	600,000
Share based payments in equity	-	32,122

	2020 $	2019 $
Note 24. Information relating to Aus Tin Mining Ltd ("the parent entity")		
Current assets	31,707	516,752
Non-current assets	8,137,332	8,144,475
Total assets	**8,169,039**	**8,661,227**
Current liabilities	4,981,354	5,294,628
Non-current liabilities	-	-
Total liabilities	**4,981,354**	**5,294,680**
Net assets	**3,187,685**	**3,366,547**
Issued Capital	20,185,187	18,649,313
Share based payments reserve	3,137,302	3,137,302
Accumulated losses	(20,134,804)	(18,420,068)
Total Shareholders' equity	**3,187,685**	**3,366,547**
Profit or loss for the year	**(1,714,736)**	**(7,179,717)**
Total comprehensive income	**(1,714,736)**	**(7,179,717)**

Note 24. Information relating to Aus Tin Mining Ltd ("the parent entity") continued

(b) Guarantees entered into by the parent entity

No guarantees have been entered into by the parent entity in relation to debts of its subsidiaries.

(c) Contractual commitments

There were no contractual commitments for the acquisition of property, plant and equipment entered into by the parent entity at 30 June 2020 (2019: nil).

(d) Contingent liabilities

The parent entity has no contingent liabilities, other than those disclosed in note 30.

Note 25. Related Party Disclosures

(a) Subsidiaries

The consolidated financial statements include the financial statements of Aus Tin Mining Ltd, Taronga Mines Pty Ltd, New England Tin Pty Ltd and Tenstar Mining Pty Ltd which are all incorporated in Australia.

(b) Ultimate parent

Aus Tin Mining Ltd is the ultimate legal parent, which is incorporated in Australia.

(c) Key management personnel

Details relating to key management personnel, including remuneration paid are included in note 5 and the audited remuneration report included within the Directors report.

(d) Transactions with related parties

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year:

Related party		Sales to related parties	Purchases from related parties	Other transactions with related parties
DGR Global Limited (i)	2020	-	192,000	180,551
	2019	-	192,000	-

(i) The Group has a commercial arrangement with DGR Global Limited for the provision of various services, whereby DGR Global provides resources and services including the provision of its administration staff, its premises (for the purposes of conducting the Company's business operations), use of existing office furniture, equipment and stationery, together with general telephone, IT infrastructure, reception and other office facilities (**Services**). In consideration for the provision of the Services, the Group pays DGR Global a monthly management fee. For the year ended 30 June 2020 $192,000 was paid or payable to DGR Global (2019: $192,000) for the provision of the Services. The total current amount outstanding in relation to the Services at year end was $815,372 (2019: $571,392).

The outstanding balances at each relevant year end are unsecured, interest free and settlement occurs in cash.

(e) Loans from related parties

During the year ended 30 June 2020, the Company has drawn down $180,551 (2019: $Nil) pursuant to the letter of funding support received from DGR Global. The financial support is provided on an unsecured basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2020

Note 26. Capital Commitments

Future Exploration Commitments

The Group has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Group. The commitments are as follows:

	2020 $	2019 $
Less than 12 months	243,500	183,301
Between 12 months and 5 years	509,924	211,014
	753,424	**394,315**

To keep tenements in good standing, work programs should meet certain minimum expenditure requirements. If the minimum expenditure requirements are not met, the Group has the option to negotiate new terms or relinquish the tenements. The Group also has the ability to meet expenditure requirements by joint venture or farm-in agreements.

Note 27. Financial Risk Management

(a) General objectives, policies and processes

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group'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.

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

The Group's financial instruments consist mainly of deposits with banks, receivables, security deposits, convertible notes and payables.

The Board has overall responsibility for the determination of the Group'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 Group's finance function.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2020

(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Group. The Group's objective is to minimise the risk of loss from credit risk exposure.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk is reviewed regularly by the Board. It arises from exposure to receivables as well as through deposits with financial institutions.

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

The Group's cash at bank is wholly held with Macquarie Bank Limited and Westpac Banking Corporation.

(c) Liquidity Risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet financial obligations as they fall due. The objective of managing liquidity risk is to ensure, as far as possible, that the Group will always have sufficient liquidity to meets its liabilities when they fall due, under both normal and stressed conditions.

Liquidity risk is reviewed regularly by the Board.

The Group manages liquidity risk by monitoring forecast cash flows and liquidity ratios such as working capital. The Group did not have any financing facilities available at reporting date.

	< 6 months $	6-12 months $	1-5 years $	> 5 years $	Total $
Year ended 30 June 2020					
Liquid financial liabilities					
Trade and other payables	(2,735,196)	-	-	-	(2,735,196)
Borrowings	(35,305)	(2,350,000)	-	-	(2,385,305)
Total financial liabilities	**(2,770,501)**	**(2,350,000)**	**-**	**-**	**(5,120,501)**
Year ended 30 June 2019					
Liquid financial liabilities					
Trade payables	(1,394,994)	-	-	-	(1,394,994)
Borrowings	-	(3,600,000)	-	-	(3,600,000)
Total financial liabilities	**(1,394,994)**	**(3,600,000)**	**-**	**-**	**(4,994,994)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2020

Note 27. Financial Risk Management (continued)

(d) Market Risk

Market risk arises from the use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk). The Group does not have any material exposure to market risk other than interest rate risk.

Interest rate risk

Interest rate risk arises principally from cash and cash equivalents. The objective of interest rate risk management is to manage and control interest rate risk exposures within acceptable parameters while optimising the return.

For further details on interest rate risk refer to the tables below:

	Floating interest rate 2020 $	Fixed interest rate 2020 $	Non-interest bearing 2020 $	Total carrying amount 2020 $	Weighted average effective interest rate 2020 %
(i) Financial assets					
Cash and cash equivalents	4,066	-	-	4,066	1%
Trade and other receivables	-	-	18,282	18,282	-
Other financial assets	-	-	746,777	746,777	-
Total financial assets	**4,066**	**-**	**765,059**	**769,125**	
(ii) Financial liabilities					
Trade and other payables	-	-	(2,735,196)	(2,735,196)	
Borrowings	(18,604)	(2,572,600)	(16,701)	(2,607,905)	10%
Total financial liabilities	**(18,604)**	**(2,572,600)**	**(2,751,897)**	**(2,770,501)**	

	Floating interest rate 2019 $	Fixed interest rate 2019 $	Non-interest bearing 2019 $	Total carrying amount 2019 $	Weighted average effective interest rate 2019 %
(i) Financial assets					
Cash and cash equivalents	470,230	-	-	470,230	1%
Trade and other receivables	-	-	63,636	63,636	-
Other financial assets	-	-	745,789	745,789	-
Total financial assets	**470,230**	**-**	**809,425**	**1,279,655**	
(ii) Financial liabilities					
Trade and other payables	-	-	(1,394,994)	(1,394,994)	-
Borrowings	-	(3,941,004)	-	(3,941,004)	10%
Total financial liabilities	**-**	**(3,941,004)**	**(1,394,994)**	**(5,335,998)**	

With the exception of convertible notes which are measured at fair value, due to the short-term nature of the above assets and liabilities, their carrying values are assumed to approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2020

Note 28. Operating Segments

The Group has identified its operating segment based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group does not yet have any products or services from which it derives an income.

Accordingly, management currently identifies the Group as having only one reportable segment, being exploration for Nickel, Gold, Copper and Tin. The financial results from this segment are equivalent to the financial statements of the Group. There have been no changes in the operating segments during the year.

All assets are located in Australia.

Note 29. Fair Value

Fair value hierarchy
The following table details the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

(a) The following table presents the Group's assets and liabilities measured and recognised at fair value at 30 June:

	Level 1 $	Level 2 $	Level 3 $	Total $
2020				
Convertible notes	-	-	2,572,600	2,572,600
2019				
Convertible notes	-	-	3,941,004	3,941,004

The fair value of convertible notes are determined using option pricing models, which use various inputs including current market and contractual prices for underlying instruments, time to expiry, yield curves and volatility of underlying instruments.

(b) The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Description	Fair value at 30 June 2020 $	Unobservable Inputs*	Range of inputs	Relationship of unobservable inputs to fair value
2020				
Convertible notes	2,572,600	Share price volatility	90%	Lower volatility (-10 bps) would increase FV by $7,230; higher volatility (+10 bps) would decrease FV by $8,610
		Risk free rate	1.02%	Lower discount rate (-25 bps) would increase FV by $312; higher discount rate (+25 bps) would decrease FV by $339.

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

Note 30. Contingent Assets and Liabilities

There are no contingent assets and liabilities at 30 June 2020 (2019: nil).

Note 31. Subsequent Events

On 31 July 2020, the Company announced that it had signed a binding term sheet with Laneway Resources Limited (Laneway) and Renison Coking Coal Pty Ltd (Renison), a wholly owned subsidiary of Laneway, to acquire the Ashford Coking Coal Project (Ashford Project) located in northern New South Wales.

On 31 July 2020, the Company announced that it had appointed Bizzell Capital Partners Pty Ltd as Lead Manager for an issue of convertible notes of up to $550,000 to provide general working capital and finance the costs of the Rights Issue.

On 7 August 2020, the Company issued 122,222,222 unlisted convertible notes at $0.0009 each.

On 17 August 2020, the Company announced a non-renounceable Entitlement Offer to existing shareholders of 1 new share at an issue price of $0.001 each for every 1 share held to raise up to approximately $3.05 million.

The Directors are not aware of any other significant changes in the state of affairs of the Company after the reporting date that is not covered in this report.