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# GOLDEN DEEPS

LIMITED

AND CONTROLLED ENTITIES

(ACN 054 570 777)

**Interim Financial Report  
for the Half Year Ended  
31 December 2020**

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CONTENTS

Directors' Report	2
Auditor's Independence Declaration	19
Consolidated Statement of Profit or Loss and Other Comprehensive Income	20
Consolidated Statement of Financial Position	21
Consolidated Statement of Changes in Equity	22
Consolidated Statement of Cash Flows	24
Notes to the Financial Statements	25
Directors' Declaration	29
Independent Auditor's Review Report to the Members	30

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**DIRECTORS' REPORT**

The Directors of Golden Deeps Limited (GED) present their Report together with the financial statements of the Consolidated Entity, being Golden Deeps Limited (the Company) and its Controlled Entities (the Group) for the half-year ended 31 December 2020.

**1. DIRECTORS**

The following persons were Directors of Golden Deeps Limited during or since the end of the financial year:

- Michael Rodriguez – Non-Executive Director
- Robert Collins – Non-Executive Director
- Michael Norburn – Non-Executive Director
- Michael Scivolo – Non-Executive Director
- Scott Mathewson – Non-Executive Director

**2. REVIEW OF OPERATIONS**

Following the acquisition of 100% of Extract Minerals Pty Ltd (Extract Minerals) in May 2020, the Company holds gold and copper projects in New South Wales, Australia (Figure 1).

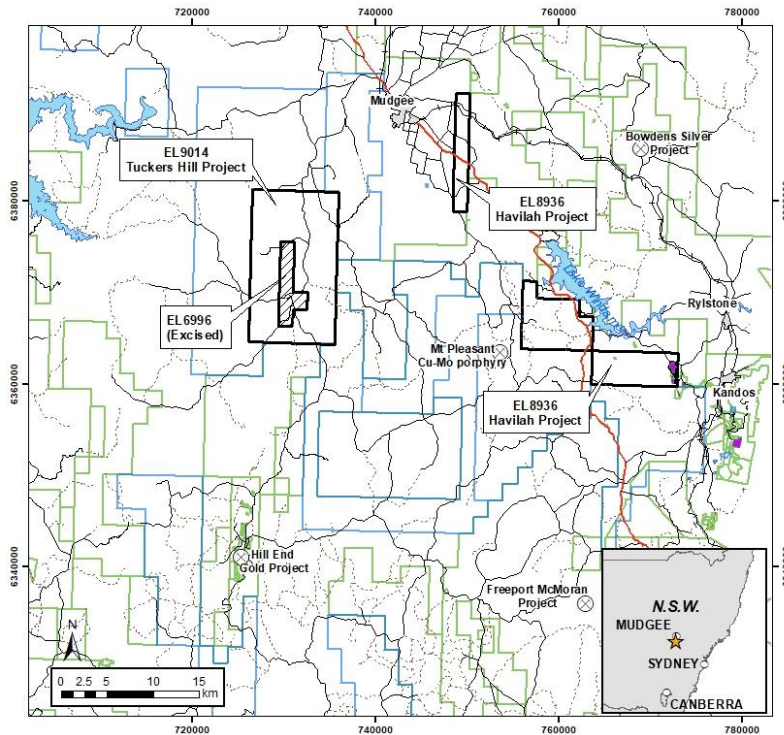


Figure 1: EL9014 (Tuckers Hill) and EL8936 (Havilah) location plan

The East Lachlan Fold Belt is a high-profile mining and exploration region that contains several major gold, copper-gold and silver deposits. These include Newcrest Mining Ltd’s Cadia-Ridgeway Mine, Evolution Mining Ltd’s Lake Cowal Mine, China Molybdenum Co. Ltd’s North Parkes Mine, Alkane Resources Ltd’s Tomingley mine, and Silver Mines Ltd’s Bowdens deposit.

Investor interest in the region has increased further with the discovery of significant gold-copper porphyry mineralisation at Alkane Resources Ltd’s Boda Prospect. The USGS (US Geological Service) recently estimated that between four and ten porphyry systems remain to be found in the Lachlan Fold Belt. This has led to companies such as Newmont Mining Ltd, Freeport-McMoran Inc. and Fortescue Metals Group Ltd acquiring ground in the region.

## DIRECTORS' REPORT (continued)

## REVIEW OF OPERATIONS (continued)

In addition to porphyry-style mineralisation, there are also orogenic gold deposits such as Tomingley and Hill End, and silver-lead skarn deposits such as Bowdens.

## Tuckers Hill Project

The Tuckers Hill Project (EL9014) is located ~20km southwest of the town of Mudgee in New South Wales, which is 265km by road from Sydney (Figure 1). The Project is located within the Bathurst-Hill End-Mudgee belt that hosts the Hill End Gold Project with a reported Mineral Resource of 4.68Mt at 3.3g/t Au (501,552oz contained gold)<sup>1</sup> of which 2.32Mt at 2.38g/t Au (177,652oz contained gold) is at Hargraves adjacent to Tuckers Hill. The NSW Planning, Industry and Environment MinView website describes the workings at Tuckers Hill as an area of 1,500m by 800m that has been extensively worked with shafts and tunnels. The style of mineralisation is interpreted to be orogenic slate-belt gold style, similar to the gold deposits of Bendigo and Ballarat in Victoria.

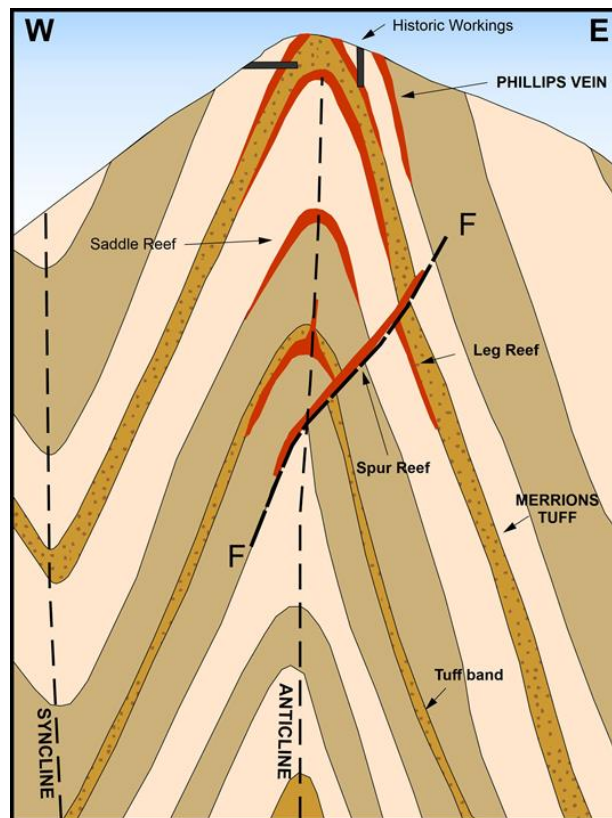


Figure 2: Diagrammatic cross section of Tuckers Hill with conceptual target reefs

<sup>1</sup> PUA ASX announcement data 29<sup>th</sup> May 2020: Hargraves Mineral Resource Estimate update.

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## DIRECTORS' REPORT (continued)

## REVIEW OF OPERATIONS (continued)

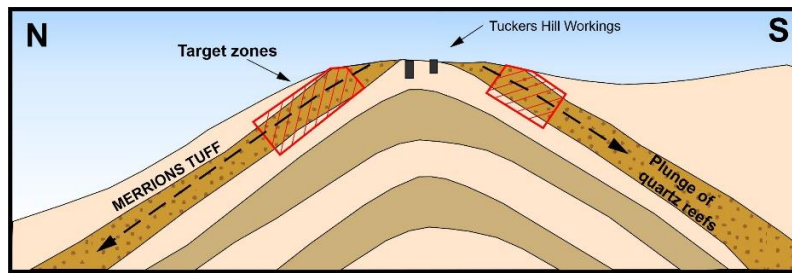


Figure 3: Diagrammatic long section of Tuckers Hill showing down plunge target zones

Previous geological mapping has identified gold bearing saddle reefs and 'leg' reefs in a folded sequence of siltstone (slate) with minor sandstone, including a prominent volcaniclastic sandstone (Merrions Tuff). Tuckers Hill is an elongate north-northwest trending anticline that plunges to the north and south. Multiple saddle reefs have formed in the apex of the fold at the top of Tuckers Hill with narrow but high-grade 'leg' reefs on bedding contacts on the fold limbs (Figure 2 and 3). The contact between the siltstone and the medium grained volcaniclastic sandstone is an important control on the formation of the reefs.

Twenty-four rock chip samples taken from surface trenches and shafts along Philips Vein at Tuckers Hill by C.W.Marshall and Associates in 1963 assayed between 1.27g/t Au and 705g/t Au with an average grade of 68.45g/t Au<sup>2</sup>. Philips Vein is one of several narrow north-northeast trending veins on the eastern side of Tuckers Hill.

Three saddle reefs are exposed in the cutting for the Hargraves-Mudgee Road that traverses the top of Tuckers Hill. The reefs plunge to the north at ~20 degrees. Historic mining has focussed on exploiting the quartz reefs where they are exposed at the top of Tuckers Hill. The detailed structural setting of the reefs was probably not fully understood and as a consequence the reefs were not followed to the north where they dip below ground. A search of the open file records has found no reference to drilling at Tuckers Hill.

### Work Completed

In August 2020, Golden Deeps engaged geophysical consultants Southern Geoscience Consultants to reprocess and re-image aeromagnetic data over the Hargraves - Tuckers Hill area with the aim of better delineating the structural and lithological trends that host gold mineralisation at the Hargraves Goldfield. The new magnetic images show a clear west-northwest lithostructural trend through both the Hargraves and Tuckers Hill areas (Figure 4). Linear magnetic trends in the image are interpreted to be potential gold bearing faults and anticlinal structures (folds) within the interbedded siltstone and sandstone sequence.

The new magnetic images allow the Company to target planned exploration on areas that may contain extensions of the gold-bearing quartz reefs at Hargraves. The priority Hargraves mineralised trend extends through the Golden Deeps' tenement for 3.7km to the tenement boundary. A second target trend extends through the old Eldorado Mine for 2.6km within the tenement. Additional mineralised trends have been identified 6km to the north of Hargraves at Maitland Bar (Maitland Trend) and at Tuckers Hill. All four trends have had little or no modern exploration.

<sup>2</sup> Tenth annual exploration report EL4003 (R00032893 – GS2003/104), Eleventh and final annual exploration report EL4003 (R00032958 – GS2002/674)



DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS (continued)

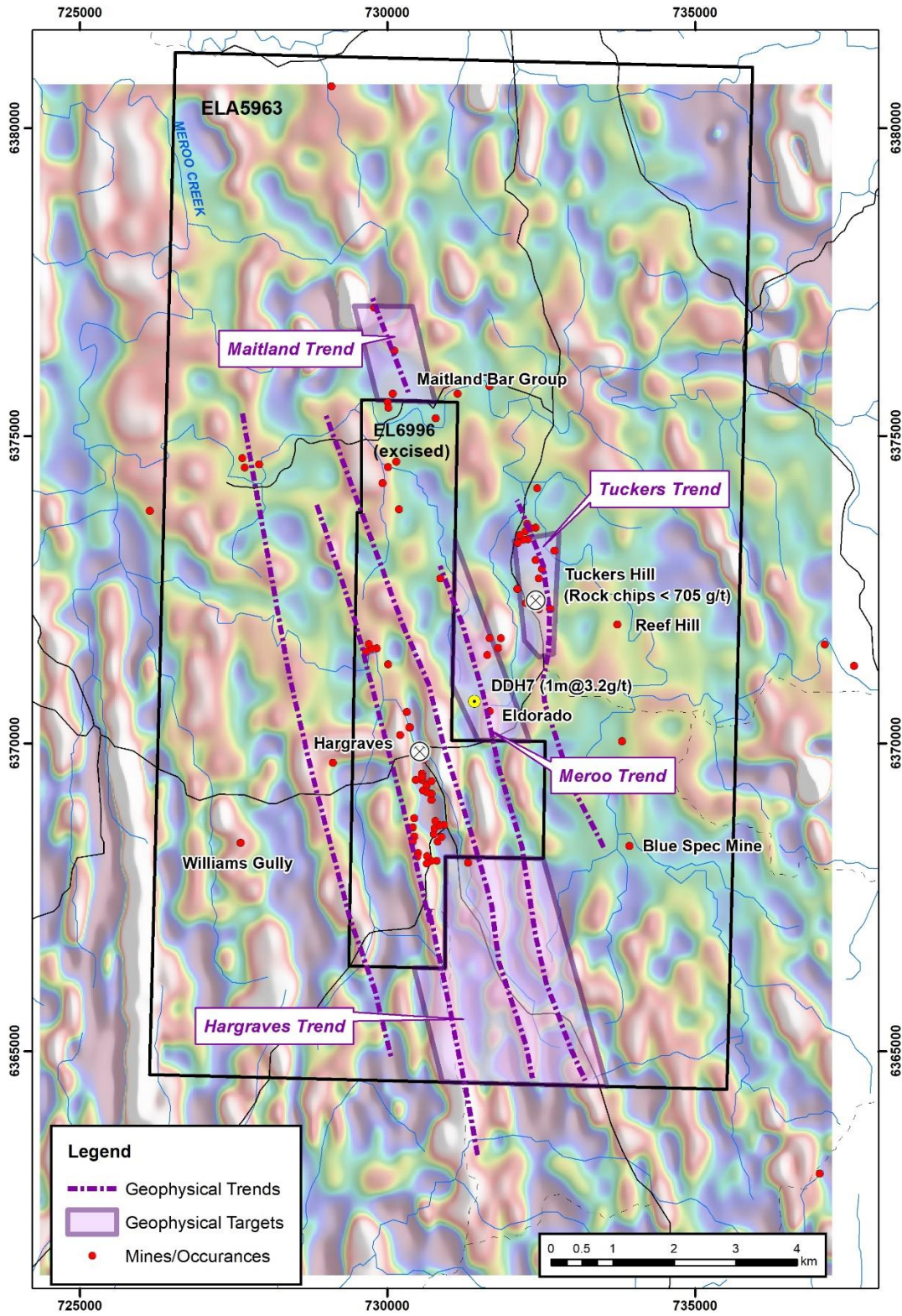


Figure 4: Aeromagnetic image (TMI-1VD ENE shade) of Tuckers Hill Project

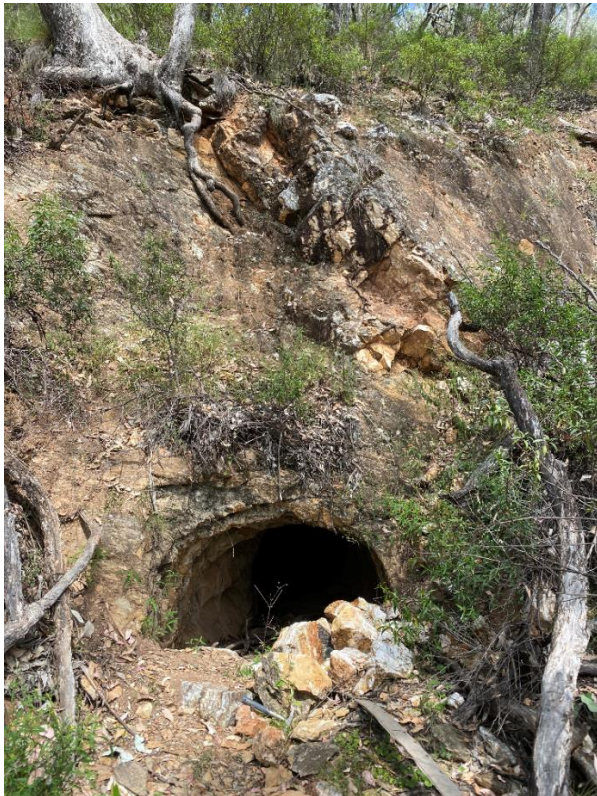


**DIRECTORS' REPORT (continued)****REVIEW OF OPERATIONS (continued)**

In December 2020, reconnaissance geological mapping and rock sampling was conducted at the Tuckers Hill and Eldorado prospects north east of the Hargraves Goldfield.

41 rock chip samples were taken of quartz veins and mullock from historic workings (Figure 5). A ferruginous quartz vein at Tuckers Hill (Philips Vein) returned the highest result of 9.64g/t Au<sup>3</sup>. Other samples of quartz veins along the same trend gave results of 4.25g/t Au, 1.71g/t Au and 1.62g/t Au<sup>3</sup>. The quartz veins at Tuckers Hill have been mapped over a strike length of 1.5km with individual mineralised veins extending for over 300m.

The gold at Tuckers Hill and the nearby Hargraves Goldfield has a 'nuggety' characteristic resulting in high variability of grade within the quartz veins. This can result in high variability in the assay values for a sample. The 41 rock samples from the current program were assayed using methods with 10-25g charges (Fire Assay and ICP-MS) that may not fully represent the grade of the material sampled. To overcome this, all the rock samples have been resubmitted to the laboratory for analysis using the Leachwell technique. This method uses 1kg of the sample and provides a more accurate gold value. The results of the Leachwell analyses will be reported when available.



*Photo 1: 'Hogans Tunnel', Tuckers Hill*



*Photo 2: Quartz vein within historic working at Tuckers Hill*

**Work Planned**

Golden Deeps is planning a diamond drilling program at Tuckers Hill. Provisional drill sites have been selected on the crest and eastern side of the hill where there is good access. Drill holes on the eastern side of the hill will test gold mineralised veins in the east limb of the Tuckers Hill anticline below previous

<sup>3</sup> GED ASX announcement data 22<sup>nd</sup> Jan 2021



## DIRECTORS' REPORT (continued)

## REVIEW OF OPERATIONS (continued)

underground mining. The holes from the crest of the hill will target saddle reefs in the apex of the anticline.

The drill sites are located on Crown Land Lots that have varying status that require land access agreements and heritage agreements with the Native Title claimants. Golden Deeps has commenced engagement with the various stakeholders to gain access approvals for drilling. Rangott Exploration based in Orange, NSW is assisting with land access approvals.

In addition to Tuckers Hill, the Company plans to conduct additional rock chip sampling and soil sampling at the Eldorado Prospect, a parallel gold mineralised trend to the west of Tuckers Hill. Other targets have been identified to the south and north of the Hargraves Goldfield on EL9014.

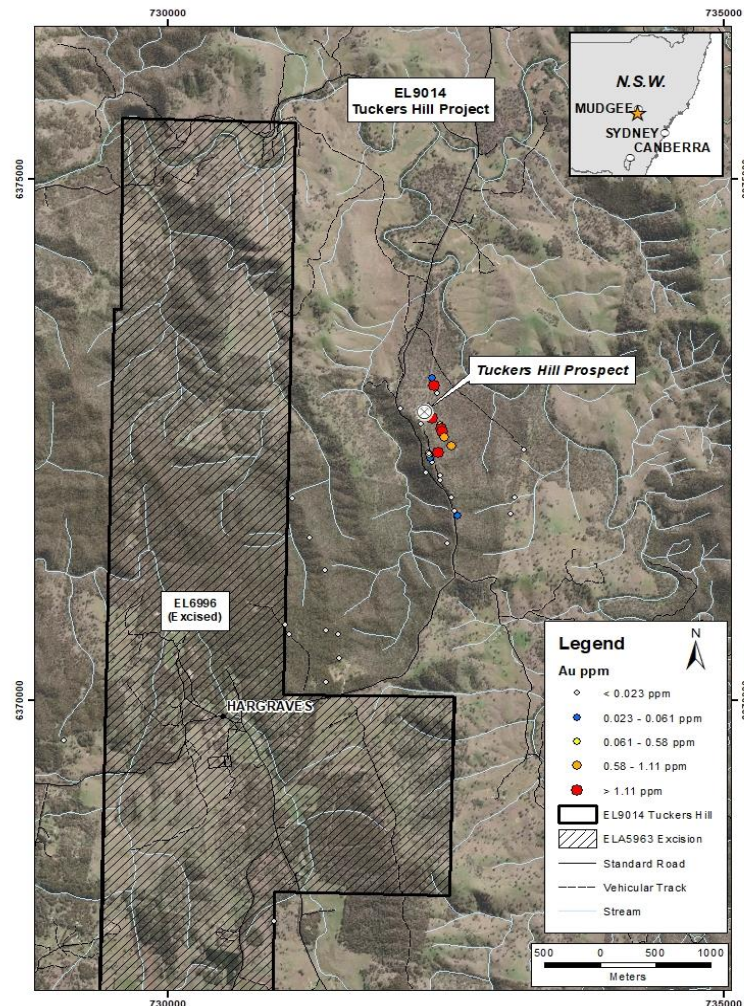


Figure 5: EL9014 (Tuckers Hill Project) and EL8936 (Havilah Project) location plan

### Havilah Project

The Havilah Project (EL8936) consists of three granted tenement blocks with an area 102km<sup>2</sup> (Figure 6). The project predominantly covers Silurian and Devonian sediments and volcanics of the Hill End Trough to the west of the Wiagdon Thrust/ Mudgee Fault. In the southern block of EL8936 there is a belt of Ordovician Sofala Volcanics. Ordovician to early Silurian volcanic and intrusive rocks of the Macquarie Arc host several major deposits including North Parkes, Lake Cowal and Cadia/Ridgeway.



DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS (continued)

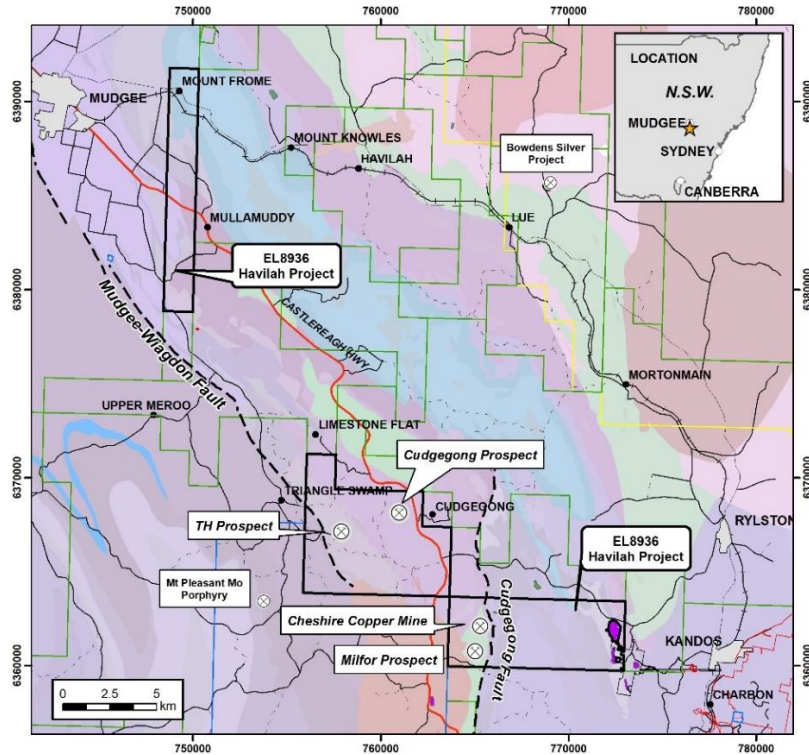


Figure 6: EL8936 Location plan – Havilah Project showing main prospect areas. Ordovician basic volcanic and basic-intermediate intrusives are shown in green

Previous exploration within EL8936 has primarily comprised stream sediment sampling, soil sampling, geological mapping, IP surveys and percussion drilling. The four main prospects identified are the Cheshire Copper Mine, the Milfor prospect, the TH Creek prospect and the Cudgong prospect (Figure 6).

DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS (continued)

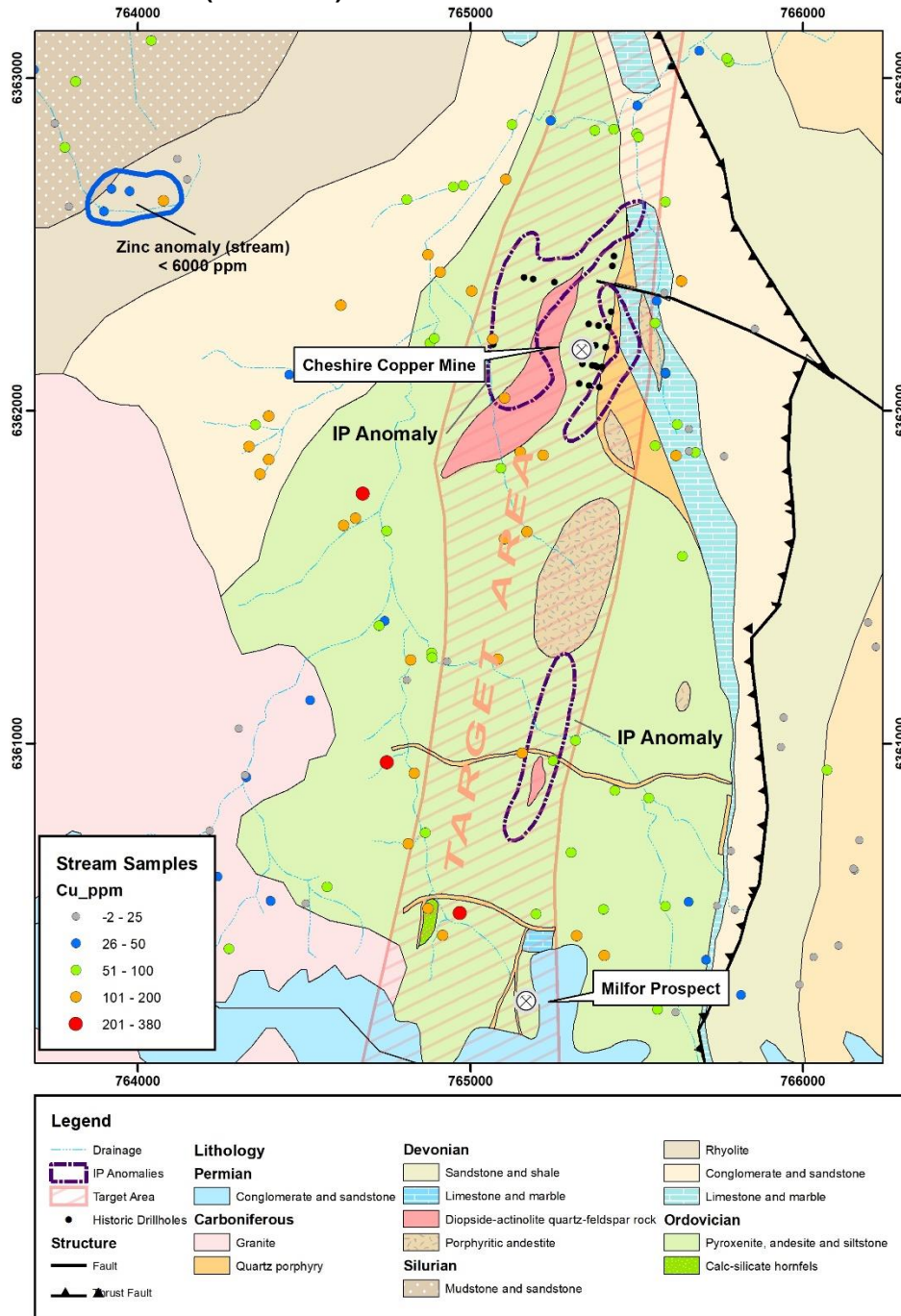


Figure 7: Geology plan Cheshire Copper Mine – Milfor prospects showing previous drilling, IP anomalies and stream sediment sample results

The Cheshire Copper Mine comprises several shafts, workings and an old brick kiln. Copper mineralisation is spatially related to a shear up to 2m wide close to the contact between andesite and rhyolitic volcanics. At the Milfor prospect 1.4km to the south there is a group of workings that have exploited disseminated and veined copper mineralisation in andesite. The prospect was discovered by regional stream sediment sampling with anomalous copper values covering an area of 2.5km by 1km. Follow up soil sampling confirmed an anomalous trend between the Cheshire Mine and Milfor prospect. A subsequent induced polarisation survey located several chargeability anomalies coincident with exposures of diopside-actinolite skarn (Figure 7). A 20 hole percussion drilling program was conducted



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**DIRECTORS' REPORT (continued)****REVIEW OF OPERATIONS (continued)**

at the Cheshire Mine by Mt. Hope Minerals NL in 1973 with holes drilled to a maximum depth of only 21.3m. PDH001 intersected a best result of 3m at 1.45% Zn, 0.1% Cu from 12.2m and PDH009 intersected 4.5m at 0.29% Zn, 0.12% Cu from 6.1m. There has been no additional drilling or effective exploration at the Cheshire Mine-Milfor prospect since the 1970s.



Photo 3: Cheshire Prospect at Havilah Project ,looking south

**Work Planned**

EL8936 (Havilah Project) was granted on 4 February 2020. A reconnaissance trip to the project was conducted in November 2020 and discussions held with relevant landholders to obtain land access approvals. Grid based soil sampling and geological mapping is planned over the Cheshire-Milfor prospect area to assist with the generation of drill targets. Drilling is likely to comprise deeper RC holes to test copper and gold mineralisation at the Cheshire Mine and shallow traverses across geochemical and geophysical targets within the north-south trending Cheshire Mine-Milfor target zone.

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<sup>4</sup> NSW Planning, Industry and Environment MinView website <https://minview.geoscience.nsw.gov.au> Mt.Hope Minerals NL Progress Report EL347 Cudgegong area 1973 (R00023637)



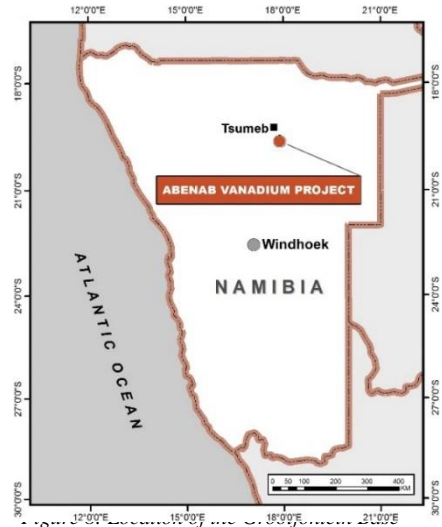
DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS (continued)

ABENAB VANADIUM PROJECT, NAMIBIA

The Company holds an 80% interest in the highly prospective Abenab Vanadium Project (AVP). The Project is located in the Otavi Mountain Land (OML), north east Namibia (Figure 8). The OML is a globally significant base metal province with production coming from several mines, including the now closed Tsumeb, Kombat, Abenab, and Berg Aukas mines.

The AVP landholding stands at 433.72 km<sup>2</sup> comprising five Exclusive Prospecting Licences (EPLs). EPL5496 and EPL3543 were renewed in July 2020.



Metal Project

On its tenements the Company holds two of the five historically important mines of the Otavi Mountain Land – Abenab and Abenab West (formerly known as Christiana). Both mines have only been tested over short strike lengths, with significant exploration upside available to the Company.

There are three recognised base metal trends with extensive strike lengths located within the tenement package, namely the Abenab, Khusib, and Pavian Trends (Figure 8). These trends have been the main focus of the Company's exploration efforts.

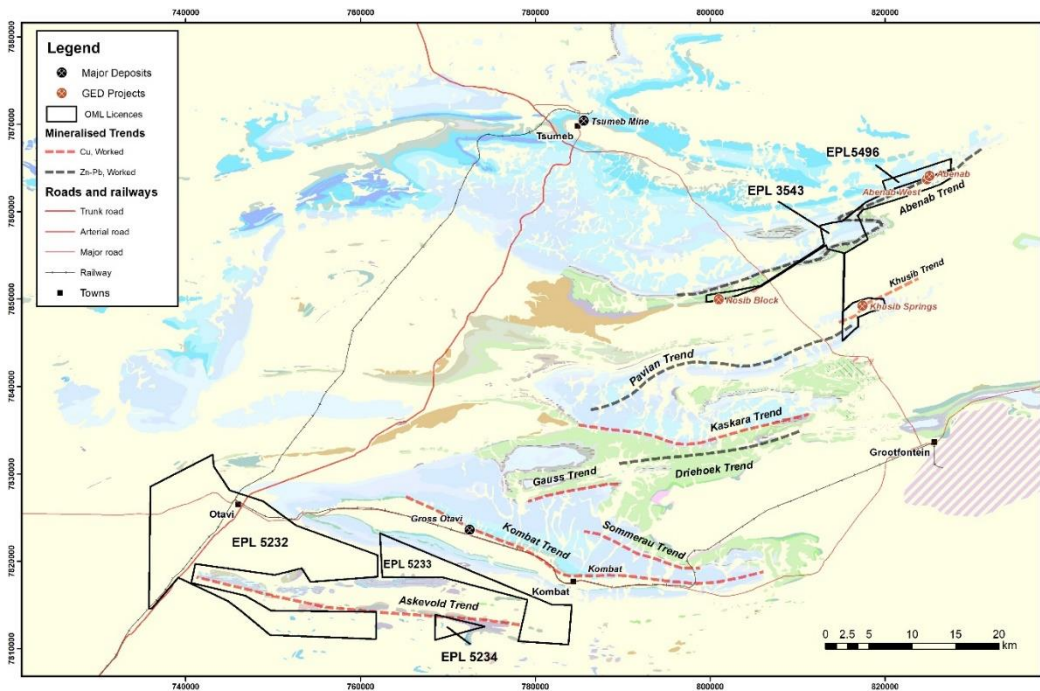


Figure 8: The location of Khusib Springs, Nosib Block, Abenab and Abenab West mines within the Golden Deeps Ltd Abenab Vanadium Project, Otavi Mountainland, Namibia

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## DIRECTORS' REPORT (continued)

## REVIEW OF OPERATIONS (continued)

## Abenab Vanadium Mine

The Company has identified the opportunity to define near-surface vanadium-lead-zinc resources and to re-open or extend the adjacent historic Abenab and Abenab West mines (Figure 9). The unusual, high grade vanadate mineralogy of the deposits is unlike any operating or proposed vanadium mines and is amenable to simple, low cost gravity-based processing methods to produce an exceptionally high grade and high value multi-metal concentrate rich in vanadium pentoxide ( $V_2O_5$ ), lead and zinc.

The Abenab group of deposits was discovered in the early 20th century and mined up until 1958. The Abenab and Abenab West mines were known as the “world’s richest” and largest known deposits of base metal vanadate ore, producing a substantial amount of very high-grade concentrate. The Abenab and Abenab West Mines are located only a few hundred metres apart (Figure 9). Prior exploration by GED and others indicates that the deposits have potential for the discovery of further vanadium-base metal mineralisation that can be developed and processed in a similar way to the historical operations.

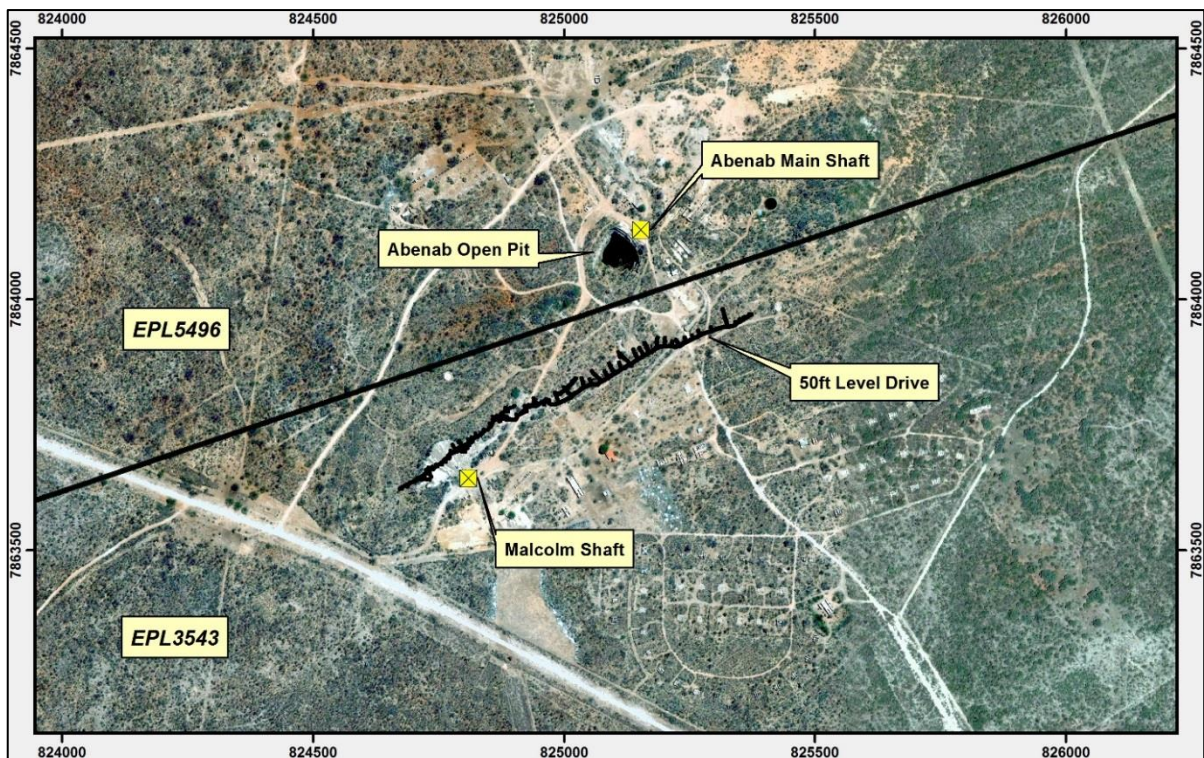


Figure 9: Image of the Abenab-Abenab West mine site showing some of the important workings and local infrastructure

The historical Abenab Mine was a major open pit and underground vanadium and base metal mining operation in the Otavi Mountain Land, with reported historical ore production of ~1.8Mt @ 1.05%  $V_2O_5$  for approximately 102,000t of concentrate grading 18%  $V_2O_5$ , 13% Zn and 42% Pb<sup>5</sup>. Historical exploration and more recent drilling indicate that there is potential for extensions of the mineralisation at depth and laterally. Potential exists to re-open the Abenab Mine and to process the high-grade V-Zn-Pb mineralisation using simple, low-cost processing methods.

<sup>5</sup> AVL ASX announcement 23 January 2012 'Exceptional high grade vanadium intercepts – Abenab, Namibia'

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**DIRECTORS' REPORT (continued)**

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**REVIEW OF OPERATIONS (continued)**

In January 2019, Golden Deeps reported an upgrade in the resource following detailed geological reviews and creation of a new geological model. The new Inferred Mineral Resource reported is 2.8Mt at 0.66% V<sub>2</sub>O<sub>5</sub>, 2.35% Pb and 0.94% Zn at a cut-off grade of 0.2% V<sub>2</sub>O<sub>5</sub><sup>6</sup>. In April 2019, the Company commenced a drilling program designed to in-fill and extend the resource.

**Abenab West Mine**

The Abenab West Mine (formerly Christiana Mine) was mined between 1947 and 1958. Several open pits were dug and a number of shafts were sunk to access the mineralisation. Extensive underground level development was carried out over at least 1,000m of mineralised strike extent and to a depth of at least 380m below surface.

Historically the mine produced vanadium, lead and zinc concentrates using simple gravity separation techniques. Production from the mine is reported to have been 540,000 t at 10% Pb and 2.6% V<sub>2</sub>O<sub>5</sub> (plus Zn)<sup>7</sup> producing

- 73,739 t of concentrate grading 72% Pb and 13% V<sub>2</sub>O<sub>5</sub>; plus
- 6,000 t of lead concentrates grading 72% Pb; and
- 8,500 t of zinc concentrates grading 55% Zn

Historical records and previous exploration by the Company shows that extensive level development was undertaken along strike to the east of the main Abenab West mining area. Strike drives were developed at 50' (15m) levels along the east-west trending footwall shale contact and the levels were linked to surface by the centrally located Malcolm Shaft. Cross-cuts were developed to the north at regular intervals along the drives to access the interpreted ore position. Despite this development, the mineralisation is unmined in most areas and it appears that much of the underground infrastructure was constructed in preparation for extensive mining which was planned but ultimately did not occur.

**Khusib Springs Copper Mine**

The Khusib Springs Mine was a very high-grade mine located in the Otavi Mountain Land near Grootfontein located on EPL3543 (Figure 9). The deposit was discovered early in the 1990s through mapping and drilling and went into production in 1995. The deposit is a steeply plunging pipe-like lens hosted by limestone and is considered to be analogous with the Tsumeb Mine 40km to the northwest. Approximately 300,000t at 10% Cu, 584g/t Ag and 1.8% Pb<sup>8</sup> was mined from the deposit. Khusib Springs has a similar geological setting to Tsumeb and like Tsumeb contains elevated germanium. The Tsumeb Mine was one of the world's major copper producers with a historic resource of 27Mt at 4.3% Cu, 10% Pb, 3.5% Zn and 95g/t Ag<sup>9</sup>.

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<sup>6</sup> GED ASX announcement 31 January 2019 'Major Resource Upgrade at Abenab Vanadium Project'.

<sup>7</sup> Boni, M. et al. 2007. Genesis of vanadium ores in the Otavi Mountainland, Namibia. *Economic Geology* v.102, pp. 441-469.

<sup>8</sup> Melcher, F. et. al. 2005. Geochemical and mineralogical distribution of germanium in the Khusib Springs Cu-Zn-Pb-Ag sulphide deposit, Otavi Mountain Land, Namibia.

<sup>9</sup> Tsumeb, Namibia. PorterGeo Database: [www.portergeo.com.au/database/mineinfo.asp?mineid=mn290](http://www.portergeo.com.au/database/mineinfo.asp?mineid=mn290)



## DIRECTORS' REPORT (continued)

### REVIEW OF OPERATIONS (continued)

A compilation of previous drill data and mining plans at Khusib Springs shows that remnant copper ore exists on the margins of mined stopes. The unmined ore is in the footwall between Levels 2 and Level 3 at a depth of ~50m and could easily be mined by open pit. There is also potential for extensions to the defined ore zones along strike and down plunge. Historically there was only limited drilling to locate the ore zone below the stopes mined on Level 6 and a fault offset made targeting difficult.

We believe the ore zone continues at an orientation that was not tested by previous drilling. At the Tsumeb Mine the grade of the pipe-like orebody varied considerably with depth and the orientation of the high-grade shoots changed abruptly which is what is interpreted to be the situation at Khusib Springs.

#### Work Completed

##### Abenab Vanadium Mine

Metallurgical testwork has continued on samples of the ore at Abenab, however, the progress of the testwork has been impacted by COVID related restrictions on the laboratories.

##### Khusib Springs Copper Mine

Shango Solutions, a Johannesburg based geological consultancy, was engaged to conduct a study on Khusib Springs. The scope of work comprised validation of the historic drilling data and digital capture of hardcopy mine plans including underground development and stoping plans with a view to assess the potential for further minable ore remaining in the mine. The data was imported into a 3D mine software package to allow visualisation of the orebody and to assist targeting (Figure 10).

As well as modelling the copper mineralisation, Shango also modelled the combined copper-silver mineralisation because of the high silver grades reported during mining. The average grade of the silver mined at Khusib Springs was 585 g/t which is 18.81 ounces to the tonne<sup>8</sup>.

The study demonstrates that there are remnant zones of copper-silver mineralisation on the margins of the mined stopes as well as at depth. The remnant ore on the margins of the stopes was probably left because of the relatively low copper grade in the light of the then prevailing copper prices.

In addition to the remnant ore in the stopes a priority zone of remnant copper-silver mineralisation has been identified which is within 100m of the surface. This zone can be easily tested with Reverse Circulation (RC) drilling.

## DIRECTORS' REPORT (continued)

## REVIEW OF OPERATIONS (continued)

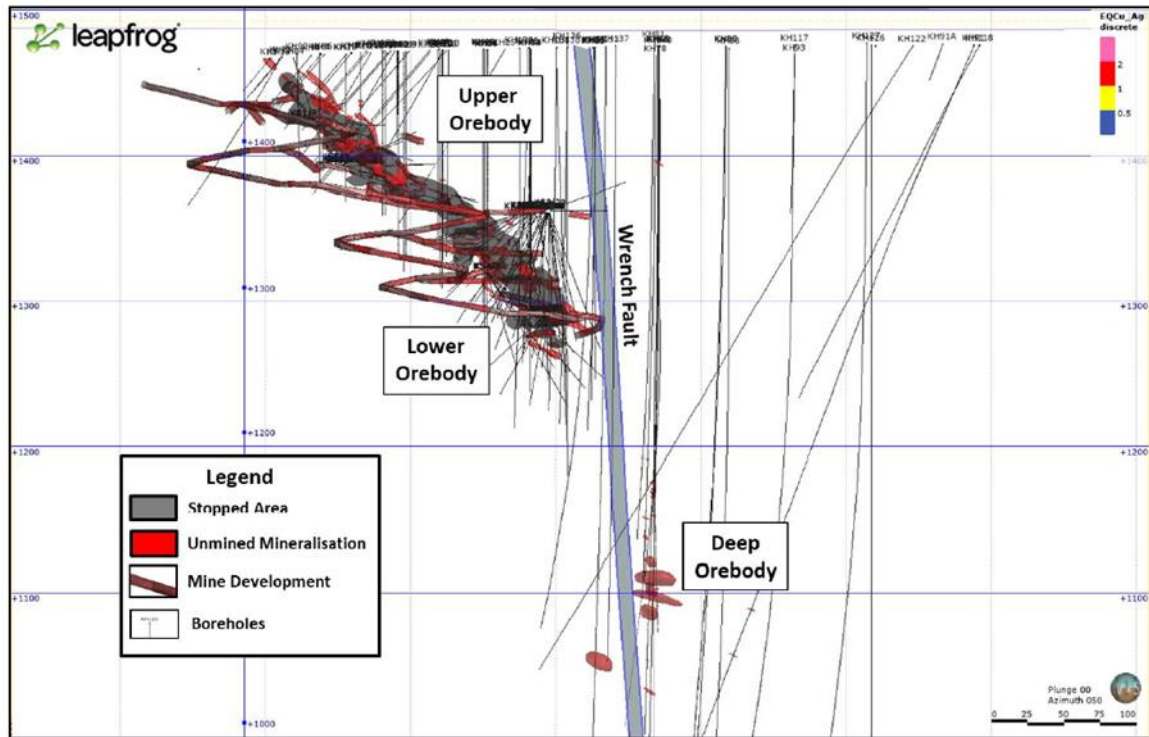


Figure 10: Cross section of Khusib Springs Mine showing stopped area, mine development and unmined mineralisation

### EPLs 5232-5234 (Kombat-Otavi)

Golden Deeps has completed soil sampling programs on two of the three recently granted Exclusive Prospecting Licences (EPL5232, 5233, 5234) between the towns of Otavi and Kombat in the Otavi Mountain Land of northern Namibia (Figure 8). Soil sampling has been conducted on selected target areas with samples taken at a 100m x 100m spacing. Samples were then assayed using a hand-held XRF with laboratory assay validation.

At the Hohentweil prospect on EPL5232, 205 soil samples were collected and analysed. The peak value was 279ppm Cu in a background of less than 50ppm Cu<sup>10</sup>. The copper anomaly is over 1km long by 400m wide and coincides with a low hill surrounded by sandy transported soil that is geochemically inert. Copper mineralisation was mapped at the surface at the contact between a carbonate rock and metavolcanics that trends to the southwest.

The Hohentweil prospect is located approximately 5km along strike to the west of the Deblin Copper Mine that is held by Votorantim Metals. The Deblin Mine mineralised trend shows good continuity and is likely to continue under cover to the west of Hohentweil where it has not been tested with drilling.

At the Kombat South prospect on EPL5233, 330 soil samples were collected and analysed with a peak value of 365ppm Cu in a background of less than 50ppm Cu. Two anomalies were identified on low hills aligned in an approximate east-west direction parallel to bedding. The larger anomaly is 500m long by 200m wide and is surrounded by transported sandy soil that has shielded the bedrock geochemical response.

<sup>10</sup> GED ASX announcement data 17 December 2020 'New Copper Anomalies Identified on New Namibian Tenements'.

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**DIRECTORS' REPORT (continued)****REVIEW OF OPERATIONS (continued)****Work Planned**

The vanadium pentoxide price fell sharply from November 2018 to less than US\$8/lb during 2020 resulting in the postponement of the Company's plans to progress development of the Abenab Vanadium project.

Global action to reduce carbon emissions through a transition to renewable energy sources and interest in electric vehicles (EVs) has driven recent increases in the price of EV metals including vanadium. As a consequence, the Company plans to conduct further studies to reassess the Abenab project.

Following validation of the Khusib Springs Copper Mine data and target generation by Shango Solutions the Company plans to conduct a drilling program to test targets around the old mine. Drilling will initially be focussed on shallow targets in the upper part of the mined stopes and may progress to the testing of deeper targets identified by Shango.

Other prospects that are being considered for drilling include the historic Nosib Block copper-vanadium mine on the western portion of EPL3543 and the recently identified copper soil anomalies on EPL5233-4 near the town of Kombat.

**ONTARIO COBALT PROJECTS**

The **Professor Co-Ag Project** is located in the north-eastern portion of Gillies Limit Township, approximately 5 km southeast of the town of Cobalt (Figure 11). The Professor Project consists of a contiguous landholding of 15 patent and leasehold claims for a total of 123 hectares and includes historical working known as the Professor Adit, 3 Oxford Shafts and the Cummins Pits.

The historic 280-metre-long Professor Adit, with approximately 590 metres of lateral workings, was mined on the property in the early 1960s. The adit, which is still accessible, exposed four vein systems containing disseminated to semi-massive cobalt-silver mineralisation.

Very little work and limited drilling has been completed on the project area since the mid-1960s and it is considered to be under explored.

The **Waldman Ag-Co project** is located about 3 km south of Cobalt (Figure 11) and consists of a contiguous landholding of 19 Crown Claims, for a total of 188.0 hectares. The claim block includes the past producing Waldman Mine located on the eastern side of the claim block that was operated periodically from 1910 to 1930. A total of 58 tons (52.6 metric tonnes) of ore was taken from Waldman Mine, from which a total of 33,525 ounces of silver and 2,066 pounds of cobalt was produced<sup>11</sup>.

Grab samples assayed in the vicinity of the Waldman Mine in 2004 returned values as high as 1.9% Co, 2.2% Ni, 1.4% Pb and 3.1% Zn (S. Sears, July 2004 Report on a Stripping Program In Gillies Limit North Area, Waldman, Cummins Pit and Oxford Areas).

Exploration targets are narrow, high-grade mineralised veins (such as those historically exploited underground) and for broader zones of vein or disseminated mineralisation that may be potentially amenable to open-pit or larger-scale underground mining operations.

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<sup>11</sup> Sergiades, A.O. 1968. Silver Cobalt Calcite Vein Deposits of Ontario; Ontario Department of Mines, Mineral Resources Circular No. 10, 498p.



DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS (continued)

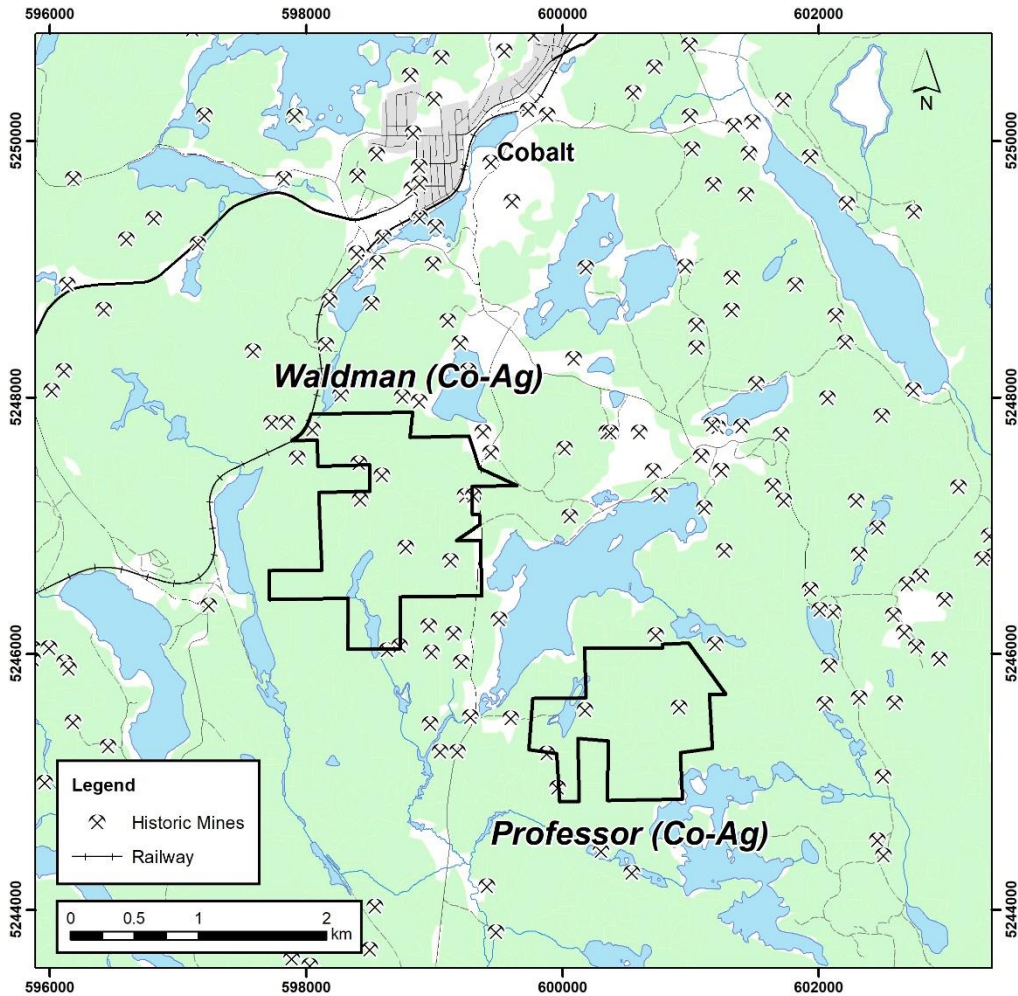


Figure 11: Location plan showing the location of the Professor and Waldman Projects near the town of Cobalt in Ontario

**Work Planned**

Following the recent resurgence in both the cobalt and the silver price and the recent report from Morningstar stating that by 2030 battery electric vehicles will account for one out of every five cars sold, the Company has now decided to recommence exploration at Professor and Waldman.

The Company has recently engaged a local contractor familiar with the historic mines of the area to assist with compilation of previous exploration data and to assist with target generation preparatory to a possible geophysical survey and a drilling campaign.

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**DIRECTORS' REPORT (continued)**

**REVIEW OF OPERATIONS (continued)**

**Competent Person Declaration**

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Martin Bennett, who is a member of The Australasian Institute Geoscientists. Mr Bennett is a consultant of Golden Deeps Ltd Limited and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that 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 Resource and Ore Reserves". Mr Bennett consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

**Forward-Looking Statements**

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Golden Deeps Ltd Limited's planned exploration programme and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Golden Deeps Ltd Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.


**3. FINANCIAL RESULT**

The Group recorded a loss after income tax of \$342,278 (2019: \$556,028) for the half year period. At 31 December 2020 the Group had cash funds of \$4,774,312 (30 June 2020: \$668,598).

**4. AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Signed in accordance with a resolution of the Directors.



**Michael Rodriguez**  
Director

**Perth, 19 February 2021**

**AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF GOLDEN DEEPS LIMITED**

As lead auditor for the review of the half-year financial report of Golden Deeps Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Golden Deeps Limited and the entities it controlled during the period.



**Crowe Perth**



**Sean McGurk**  
Partner

Signed at Perth, 19 February 2021

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

	<b>Consolidated Half year 2020 \$</b>	<b>Consolidated Half year 2019 \$</b>
<b>Income</b>		
Interest earned	435	260
Proceeds from joint venture partner	-	5,315
Other income	25,376	8,782
	25,811	14,357
<b>Expenses</b>		
Professional services	(106,020)	(158,136)
Employee benefits	-	(1,868)
Office facility fees for services under a Management Agreement	(133,656)	(133,656)
Directors' fees and services	(26,913)	(144,995)
ASX fees	(14,140)	(19,539)
Provision for doubtful debts	(49,257)	(50,243)
Depreciation	-	(43)
Other operating costs	(38,103)	(61,905)
	(368,089)	(570,385)
<b>Loss before income tax</b>	<b>(342,278)</b>	<b>(556,028)</b>
Income tax	-	-
	<b>(342,278)</b>	<b>(556,028)</b>
<b>Other Comprehensive Income</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translating foreign controlled entities	65,211	3,197
	<b>(277,067)</b>	<b>(552,831)</b>
<b>Loss for the period attributable to:</b>		
Owners of the parent	(338,301)	(548,741)
Non-controlling interest	(3,977)	(7,287)
<b>Total Loss for the half year, net after tax</b>	<b>(342,278)</b>	<b>(556,028)</b>
<b>Total comprehensive loss for the period attributable to:</b>		
Owners of the parent	(286,132)	(546,183)
Non-controlling interest	9,065	(6,648)
<b>Total comprehensive loss for the half year</b>	<b>(277,067)</b>	<b>(552,831)</b>
Basic and diluted loss per share (cents)	(0.10)	(0.22)

*The accompanying notes form part of these financial statements*



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020**

	Notes	Consolidated 31 December 2020 \$	Consolidated 30 June 2020 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		4,774,312	668,598
Trade and other receivables		123,108	37,437
<b>TOTAL CURRENT ASSETS</b>		<b>4,897,420</b>	<b>706,035</b>
<b>NON-CURRENT ASSETS</b>			
Exploration and evaluation expenditure		3,914,794	3,738,660
Trade and other receivables		-	49,257
Plant and equipment		1,111	1,053
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,915,905</b>	<b>3,788,970</b>
<b>TOTAL ASSETS</b>		<b>8,813,325</b>	<b>4,495,005</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,473,173	519,224
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,473,173</b>	<b>519,224</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables		-	1,627,604
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>1,627,604</b>
<b>TOTAL LIABILITIES</b>		<b>1,473,173</b>	<b>2,146,828</b>
<b>NET ASSETS</b>		<b>7,340,152</b>	<b>2,348,177</b>
<b>EQUITY</b>			
Issued capital	4	23,671,972	18,728,801
Option reserve	5	325,871	60,274
Foreign currency translation reserve		(193,935)	(246,104)
Accumulated losses		(16,136,659)	(15,858,632)
Parent interests		7,667,249	2,684,339
Non-controlling interest		(327,097)	(336,162)
<b>TOTAL EQUITY</b>		<b>7,340,152</b>	<b>2,348,177</b>

*The accompanying notes form part of these financial statements*

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	<i>Ordinary Issued Capital</i>	<i>Option Reserve</i>	<i>Foreign Currency Translation Reserve</i>	<i>Accumulated Losses</i>	<i>Total attributable to owners of parent</i>	<i>Non-controlling Interest</i>	<i>Total Equity</i>
	\$	\$	\$	\$	\$	\$	\$
<b>BALANCE AT 1 JULY 2019</b>	<b>16,772,574</b>	<b>64,205</b>	<b>(86,278)</b>	<b>(15,027,807)</b>	<b>1,722,694</b>	<b>(219,888)</b>	<b>1,502,806</b>
Total loss for the period	-	-	-	(548,741)	(548,741)	(7,287)	(556,028)
Total other comprehensive income for the period	-	-	2,558	-	2,558	639	3,197
Total comprehensive loss for the period	-	-	2,558	(548,741)	(546,183)	(6,648)	(552,831)
Issue of shares	1,514,455	-	-	-	1,514,455	-	1,514,455
Cost of issuing shares	(82,661)	-	-	-	(82,661)	-	(82,661)
Expiration of options	-	(3,931)	-	3,931	-	-	-
<b>BALANCE AT 31 DECEMBER 2019</b>	<b>18,204,368</b>	<b>60,274</b>	<b>(83,720)</b>	<b>(15,572,617)</b>	<b>2,608,305</b>	<b>(226,536)</b>	<b>2,381,769</b>

GOLDEN DEEPS LTD LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2020 (continued)

	<i>Ordinary Issued Capital</i>	<i>Option Reserve</i>	<i>Foreign Currency Translation Reserve</i>	<i>Accumulated Losses</i>	<i>Total attributable to owners of parent</i>	<i>Non-controlling Interest</i>	<i>Total Equity</i>
	\$	\$	\$	\$			\$
<b>BALANCE AT 1 JULY 2020</b>	<b>18,728,801</b>	<b>60,274</b>	<b>(246,104)</b>	<b>(15,858,632)</b>	<b>2,684,339</b>	<b>(336,162)</b>	<b>2,348,177</b>
Total loss for the period	-	-	-	(338,301)	(338,301)	(3,977)	(342,278)
Total other comprehensive income for the period	-	-	52,169	-	52,169	13,042	65,211
Total comprehensive loss for the period	-	-	52,169	(338,301)	(286,132)	9,065	(277,067)
Issue of shares	5,654,917	-	-	-	5,654,917	-	5,654,917
Cost of issuing shares	(711,746)	-	-	-	(711,746)	-	(711,746)
Issue of options	-	325,871	-	-	325,871	-	325,871
Expiration of options	-	(60,274)	-	60,274	-	-	-
<b>BALANCE AT 31 DECEMBER 2020</b>	<b>23,671,972</b>	<b>325,871</b>	<b>(193,935)</b>	<b>(16,136,659)</b>	<b>7,667,249</b>	<b>(327,097)</b>	<b>7,340,152</b>

*The accompanying notes form part of these financial statements*



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

	<b>Consolidated Half year 2020 \$</b>	<b>Consolidated Half year 2019 \$</b>
<b>Cash Flows from Operating Activities</b>		
Payments to suppliers and employees	(1,044,865)	(796,238)
Interest received	435	260
Other income	25,376	16,790
Proceeds from joint venture partner	-	5,315
<i>Net cash flows used in operating activities</i>	<u>(1,019,054)</u>	<u>(773,873)</u>
<b>Cash Flows from Investing Activities</b>		
Payments for exploration expenditure	(104,530)	(518,250)
Payments for security deposits	(10,000)	-
Payments for plant and equipment	-	(1,582)
<i>Net cash flows used in investing activities</i>	<u>(114,530)</u>	<u>(519,832)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from capital raising (net of capital raising costs)	5,239,298	1,431,794
Repayment of borrowings	-	(62,000)
<i>Net cash flows provided by financing activities</i>	<u>5,239,298</u>	<u>1,369,794</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>668,598</b>	<b>76,089</b>
Cash and cash equivalents at the beginning of the half year	4,105,714	492,601
<b>Cash and cash equivalents at the end of half year</b>	<u><b>4,774,312</b></u>	<u><b>568,690</b></u>

*The accompanying notes form part of these financial statements.*

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

**1. BASIS OF PREPARATION OF HALF YEAR REPORT**

Golden Deeps Limited is a company domiciled in Australia.

This general purpose financial report for the interim half year reporting period ended 31 December 2020 has been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134 *Interim Financial Reporting*. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Golden Deeps Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2020 together with any public announcements made during the half year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards.

The interim financial statements have been approved and authorised for issue by the Board of Directors.

**2. DIVIDENDS**

No dividends have been paid or proposed during the half year ended 31 December 2020.

**3. CAPITAL AND LEASING COMMITMENTS AND CONTINGENCIES**

There has been no material change in contingent liabilities and commitments since the end of the last annual reporting period.

The consolidated entity is required to meet minimum expenditures as imposed by the Namibian and Canadian government mining authorities to retain its interest in the mining tenements that it has. If the minimum expenditure commitments are not met, there is a risk that the mining tenements will not be renewed.

**4. ISSUED CAPITAL**

Date	Details	Number of Shares	Amount \$
<b>1 July 2019</b>	<b>Balance</b>	<b>212,080,789</b>	<b>16,772,574</b>
19 August 2019	Conversion of options	1,300,000	19,500
27 August 2019	Conversion of options	22,997,000	344,955
2 October 2019	Issue of shares at \$0.026	41,346,155	1,075,000
5 December 2019	Issue of shares at \$0.026	2,884,615	75,000
	Capital raising costs	-	(82,661)
<b>31 December 2019</b>	<b>Balance</b>	<b>280,608,559</b>	<b>18,204,368</b>

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

**5. ISSUED CAPITAL (continued)**

Date	Balance	350,760,699	18,728,801
<b>1 July 2020</b>	<b>Balance</b>		
17 August 2020	Issue of shares at \$0.0125	187,680,000	2,346,000
29 October 2020	Issue of shares at \$0.016	1,250,000	20,000
15 December 2020	Issue of shares at \$0.014	234,922,646	3,288,917
	Capital raising costs	-	(711,746)
<b>31 December 2020</b>	<b>Balance</b>	<b>774,613,345</b>	<b>23,671,972</b>

**6. OPTION RESERVE**

Date	Details	Number of Options	Amount \$
<b>1 July 2019</b>	<b>Balance</b>	<b>47,800,000</b>	<b>64,205</b>
31 August 2019	Options expired	(39,300,000)	(3,931)
<b>31 December 2019</b>	<b>Balance</b>	<b>8,500,000</b>	<b>60,274</b>
<b>1 July 2020</b>	<b>Balance</b>	<b>8,500,000</b>	<b>60,274</b>
9 August 2020	Issue of options as part consideration for acquisition of Extract Minerals Pty Ltd	2,500,000	9,745
9 August 2020	Issue of options as facilitation fee for share placement	30,000,000	158,526
9 August 2020	Issue of free-attaching options to share placement	67,652,135	-
17 August 2020	Issue of free-attaching options to share placement	93,840,000	-
1 September 2020	Options expired	(8,500,000)	(60,274)
29 October 2020	Issue of free-attaching options to share placement	93,840,005	-
29 October 2020	Issue of options at \$0.00002	80,000,000	1,600
29 October 2020	Issue of options to broker as consideration for undertaking share placement	26,000,000	156,000
15 December 2020	Issue of free-attaching options to share placement	78,307,548	-
<b>31 December 2020</b>	<b>Balance</b>	<b>472,139,688</b>	<b>325,871</b>

The 472,139,688 options on issue have terms as outlined below.

Number	Listed / Unlisted	Exercise Price	Expiry Date
472,139,688	Listed	\$0.015	30 June 2021



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

**7. RELATED PARTY TRANSACTIONS**

The Group's related parties include its subsidiaries, key management personnel and others as described below. None of the transactions incorporate special items and conditions and no guarantees were received or given.

Related Party	Relationship	Nature of Transaction	Half Year Ended 31 December 2020 \$	Half Year Ended 31 December 2019 \$
Huab Energy (Pty) Ltd	Subsidiary	Loan funding	57,379	401,938
Oshivela Mining (Pty) Ltd	Subsidiary	Loan funding	2,448	18,794
Sabre Resources Ltd	Common Directors	Exploration and evaluation	-	35,626
Sabre Resources Ltd	Common Directors	Trade payables	-	14,362

The Company expensed director fees of \$7,000 (2019: \$7,000) from Profit & Resource Management Pty Ltd, a company of which Robert Collins is a director and shareholder. An amount of \$3,500 (excluding GST) (2019: \$3,500) remains payable as at 31 December 2020.

The Company expensed director fees of \$12,000 (2019: \$12,000) from Oppenheimer Resources, an entity related to Michael Rodriguez. An amount of \$2,000 (excluding GST) (2019: \$4,000) remains payable as at 31 December 2020.

The Company expensed director fees of nil (2019: \$110,000), as well as nil (2019: \$15,801) in travel, accommodation and other expenses, from Seabourn Capital Pty Ltd, a company of which Michael Minosora is a director and shareholder. An amount of nil (2019: \$46,479 excluding GST) remains payable as at 31 December 2020.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE  
HALF YEAR ENDED 31 DECEMBER 2020

**8. OPERATING SEGMENTS**

**Segment Information**

**Identification of reportable segments**

The Group has identified its operating segments based on the internal management reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and determining the allocation of resources. As the Group is focused on mineral exploration, the Board monitors the Group based on actual exploration expenditure incurred by area of interest. The internal reporting framework is the most relevant to assist the executive management team with making decisions regarding the Group and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

The executive management team has aggregated the performance of all segments as they maintain similar economic characteristics including the development and exploration of the Group's mineral interests in Australia, Namibia and in Canada.

**Basis of Accounting for purposes of reporting by operating segments**

*Accounting Policies Adopted*

All amounts reported to the Board of Directors with respect to operating segments are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

*Unallocated items*

Corporate costs are not considered core operations of any segment.

**9. EVENTS SUBSEQUENT TO REPORTING DATE**

On 2 February 2021, the Company issued 221,615,098 listed options with an exercise price of \$0.015 and expiry date of 30 June 2021.

On 11 February 2021, the Company issued 238,095 fully paid ordinary shares upon the conversion of 238,095 listed options with an exercise price of \$0.015 and expiry date of 30 June 2021.

No other matters or circumstances have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company.

**DIRECTORS' DECLARATION**

In the opinion of the Directors of Golden Deeps Ltd:

- (a) the consolidated financial statements and notes, as set out on the accompanying pages, are in accordance with the Corporations Act 2001 including:
  - (i) Giving a true and fair view of its financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
  - (ii) Complying with Australian Accounting Standard AASB 134 Interim Financial Reporting; and
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



**Michael Rodriguez**  
Director

**Perth, 19 February 2020**

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## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF GOLDEN DEEPS LIMITED

### REPORT ON THE HALF-YEAR FINANCIAL REPORT

#### Conclusion

We have reviewed the accompanying half-year financial report of Golden Deeps Limited (the Company) and its subsidiaries (collectively the Group) which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

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

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code

#### Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year 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 half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



**Crowe Perth**



**Sean McGurk**  
Partner

Signed at Perth, 19 February 2021

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