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ABN 77 610 319 769

INTERIM FINANCIAL REPORT

For the half-year ended 31 December 2020

Corporate Information

ABN 77 610 319 769

Directors

Mr Stephen Dennis (Non-Executive Chairman)

Mr Phil Hoskins (Managing Director)

Mr Andrew Pardey (Non-Executive Director)

Mr Chris van Wijk (Executive Director)

Company Secretary

Mr Stuart McKenzie

Registered Office

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Bankers

Commonwealth Bank of Australia

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PERTH WA 6000

Share Register

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Auditors

BDO Audit (WA) Pty Ltd

38 Station Street

SUBIACO WA 6008

Website Address

www.marvelgold.com.au

ASX Code

Shares are listed on the Australian Securities Exchange under stock code MVL.

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Directors' report

Your Directors present their report on the consolidated entity (referred to hereafter as the **Group**) comprising Marvel Gold Limited (**Marvel** or the **Company**) and the entities it controlled at the end of, or during, the six months ended 31 December 2020 and the auditor's report. Marvel is a company limited by shares that is incorporated and domiciled in Australia.

Directors and Company Secretary

The following persons were directors of Marvel (**Directors**) during the half-year ended 31 December 2020 and up to the date of this report:

Mr Stephen Dennis (Non-Executive Chairman)
Mr Phil Hoskins (Managing Director)
Mr Andrew Pardey (Non-Executive Director)
Mr Chris van Wijk (Executive Director)

The Company Secretary is Mr Stuart McKenzie. Mr McKenzie was appointed to the position of Company Secretary in January 2016.

Directors were in office for the entire period unless otherwise stated.

Principal activities

During the period, the principal continuing activities of the Group related to the exploration for gold on the Company's West and South Mali tenement package and the undertaking of a process with respect to the Chilalo Graphite Project to realise value for shareholders.

Basis of preparation

The attached half-year report ended 31 December 2020 contains an independent auditor's review report which includes a material uncertainty related to going concern. For further information, refer to Note 2(a) of the financial statements together with the auditor's review report.

Significant changes in the state of affairs

During the half-year the Company entered into joint ventures with Oklo Resources limited, Altus Strategies plc and Société Minière et Commerciale ("SOMICO") to earn in and acquire exploration properties in West and South Mali. These joint ventures completed the Company's change in strategic direction from the Company's Tanzanian graphite project to a West Africa focused gold explorer.

The Company's Chilalo Graphite Project in Tanzania has been transferred to held for sale as it is now likely this asset will be disposed of by the Group. The Company has received numerous investor enquiries about the project and is assessing the best pathway to maximise value for shareholders including a possible demerger and initial public offering on the ASX. Initial discussion with investors are commercial in confidence however the Directors have assessed the potential value of this project on disposal is likely to exceed its carrying value.

On 20 July 2020, the Company's shareholders voted to approve the amended terms to the loan notes that the Company had issued to CL V Investment Solutions LLC, an entity managed by Castlelake L.P. This formalised the amended terms which are set out in note 9.

Directors' report

Review of operations

Results of operations

A summary of results for the half-year ended 31 December 2020 is as follows:

	December 2020 \$	December 2019 \$
Net loss after income tax	(3,337,658)	(4,988,343)
attributable to:		
Fair value gain on loan notes	1,307,349	-
Foreign currency gain	904,760	-
Administration costs	(542,063)	(680,140)
Finance costs	(1,111,586)	(890,121)
Business development and marketing	(250,384)	(434,886)
Exploration expenses	(2,793,258)	(2,956,347)

MALI GOLD PROJECTS

During the half-year, the Company completed the acquisition of an interest in a Joint Venture (**Mali JV**) with Altus Strategies Plc (**Altus**) to earn-in to two Mali gold exploration projects, Tabakorole Gold Project (**Tabakorole**) and the Lakanfla Gold Project (**Lakanfla**) (**Mali Gold Projects**).

The Company's primary focus of activity has been on advancing the Mali Gold Projects through systematic exploration and on completing strategic tenement acquisitions to enhance Marvel's landholding in Mali.

Tabakorole Gold Project (51%)

Following completion of a 1,544 metre diamond drilling program and review of historical data from previous work at Tabakorole, the Company reported a maiden JORC 2012 Mineral Resource of **910,000oz grading 1.2 g/t gold** (at a 0.6 g/t cut-off), as shown in Table 1 below.

Table 1: Tabakorole Mineral Resource Estimate (JORC 2012)

	Indicated			Inferred			Total		
	Mt	Au (g/t)	koz (Au)	Mt	Au (g/t)	koz (Au)	Mt	Au (g/t)	koz (Au)
Oxide	1.0	1.3	40	1.5	1.3	60	2.4	1.3	100
Fresh	6.3	1.2	250	15.1	1.2	560	21.5	1.2	810
Total	7.3	1.2	290	16.6	1.2	620	23.9	1.2	910

The Tabakorole Mineral Resource is defined over a 2.9km strike length with 43% of the resource (390koz) within approximately 100m of surface. The deposit demonstrates consistently thick zones which indicates the potential for a relatively low mining strip ratio.

The Company considers that there are numerous opportunities to grow the Tabakorole Mineral Resource, including:

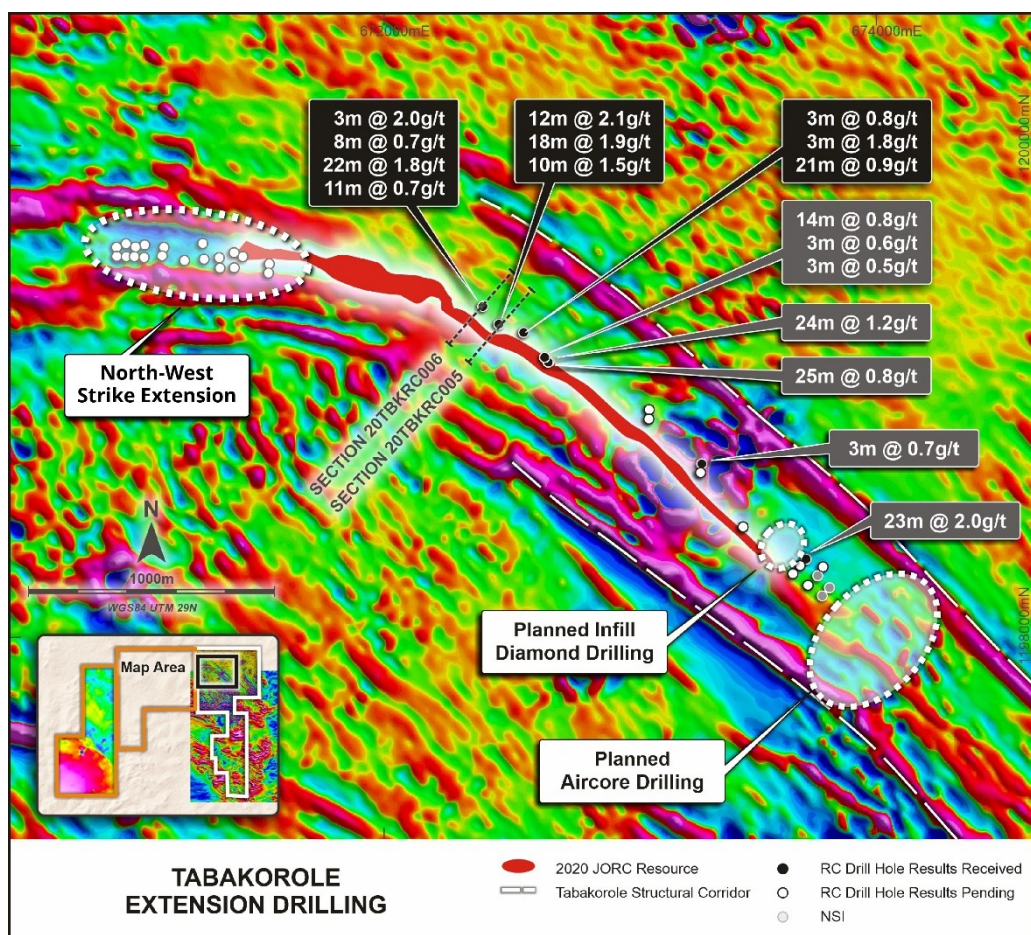
- Aircore drilling completed during the half-year confirmed that gold mineralisation continues at least 600m along strike to the north-west, with results including **6m at 6.2 g/t gold**. Drilling conducted during the half-year tested the north-west extension, with results expected to be available during March.
- The deposit remains open along strike to the south-east. Reverse Circulation drilling carried out during the period, successfully extended the Tabakorole deposit to the south-east. Results of this drilling included **23m at 2.0 g/t gold** from 178m in hole 21TBKRC-001, which terminated in mineralisation. The Company now intends to carry out an Aircore drilling program to identify additional targets to further test the south-east extension.

Directors' report

- The deposit remains open at depth, including several areas throughout the existing resource that are constrained by lack of drilling. Three holes (totalling 512m) drilled within the existing strike of the deposit have returned intersections of high-grade mineralisation which are expected to materially enhance the existing 910koz mineral resource. Significant results included:
 - Hole TBKRC-005:
 - 12m at 2.1 g/t gold from 18m;
 - 18m at 1.9 g/t gold from 53m; and
 - 10m at 1.5 g/t gold from 97m.
 - Hole TBKRC-006:
 - 22m at 1.8 g/t gold from 77m.

Figure 1 shows the results of drilling at the south-east extension and drilling within the existing resource.

Figure 1. Plan view showing results from Tabakorole resource expansion drill program



Bottle roll testwork on fresh ore composite samples, undertaken by ALS Metallurgy, highlighted the straightforward, non-refractory metallurgical characteristics for the ore. The testwork generated:

- Average gold recoveries ranging from 92.7% to 96.6% for grind sizes (P80) of 150 to 75 microns;
- Attractive leach kinetics, indicating a likely processing route incorporating a simple, industry standard cyanide leach circuit; and

Directors' report

- Low reagent consumption points to a favourable impact on costs.

Future metallurgical testwork programs are expected to focus on comminution work and optimisation of grind size versus reagent concentrations.

Lakanfla Gold Project (33%)

Ongoing exploration and development of Lakanfla comprises three key focus areas:

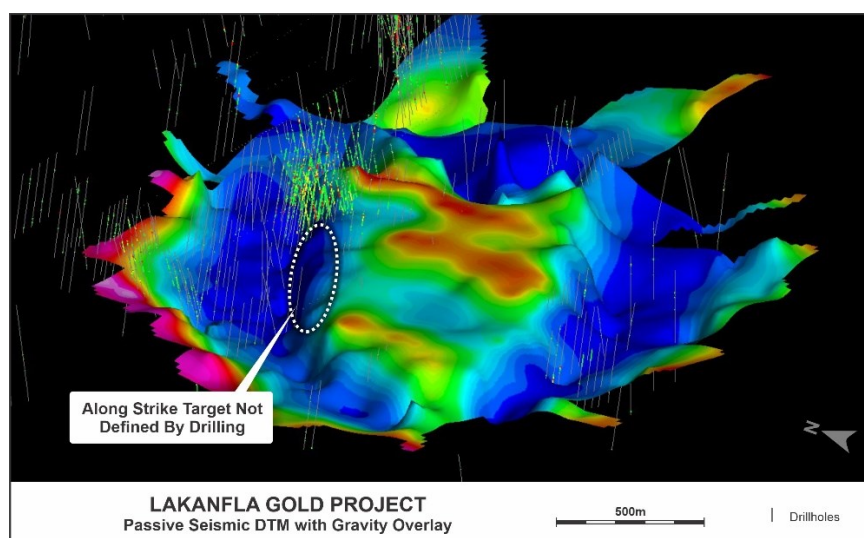
- Refinement of karst model and targeting.

Reverse Circulation (RC) drilling program at the Lakanfla Gold Project successfully proved the existence of a karst and returned widespread low-grade gold mineralisation. The Company plans to assess the anomalous intercepts and other targets in the context of the multi-element soil assays (expected in March) and to also complete multi-element assays on selected RC samples to ascertain whether these anomalous results record a primary bedrock or transported gold signature. Any future targets identified at the karst will be ranked against other targets at Lakanfla and across the existing portfolio of Mali projects as the Company optimises its exploration expenditure.

- Delineation and development of existing gold mineralisation within the granite intrusion.

Analysis of the existing drill-defined mineralisation within the granite intrusion appears to show that the mineralisation sits on the 'shoulders' of the granite intrusion and is likely structurally hosted. The holes drilled in the RC drilling program completed in 2020 were not successful in drilling this contact even when angled toward the granite intrusion and as such an immediate opportunity still exists along strike from the existing mineralisation (see Figure 2). Importantly, this area has additional supporting evidence in the soil geochemistry results.

Figure 2. Target along strike from existing mineralisation



- Systematic exploration across the Lakanfla licence (outside of the karst target and the granite intrusion).

The results of a multi-element soil geochemistry program are pending. When received, these results will be reviewed along with existing datasets including magnetics, induced polarisation and passive seismic to generate additional targets, both within the karst and elsewhere on the licence.

Tenement acquisitions

During the half-year, the Company reached agreement with Oklo Resources Limited (ASX: OKU) (**Oklo**) to acquire an 80% interest in Oklo's three South Mali gold projects – Tabakorole, Yanfolila and Kolondieba (the **South Mali Gold Projects**) – covering 600km² of highly prospective Birimian Greenstone terrain in South Mali.

Directors' report

The Tabakorole tenements cover an area of 200km² adjoining the Company's Tabakorole Project, with the structure hosting the Tabakorole Mineral Resource, appearing to continue to the west into the Tabakorole tenements. Kolondieba comprises a 200km² landholding hosting numerous artisanal workings over 15km of strike, located on the Bannifin Shear Zone, one of the major controlling structures in southern Mali. Yanfolila is a 200km² advanced exploration project strategically located on splays off the Siekerole Shear Zone with historical intercepts including 27m at 3.6 g/t gold and 16m at 2.0 g/t gold.

Marvel also entered into an option agreement over the Sakaar Exploration Permit (**Sakaar**), located 15km to the south of the Lakanfla Project in western Mali. The Company is undertaking geological mapping, geochemical sampling and magnetic surveys as part of the first phase of a systematic process to identify drill targets at Sakaar.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307 of the *Corporation Act 2001* is set out on page 8.

This interim report is made in accordance with a resolution of the Directors.



Stephen Dennis
Chairman of the Board
PERTH
On the 12th day of March 2021

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF MARVEL GOLD LIMITED

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

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Marvel Gold Limited and the entities it controlled during the period.



Dean Just
Director

BDO Audit (WA) Pty Ltd

Perth, 12 March 2021

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**Condensed consolidated statement of profit or loss and other comprehensive income
for the half-year ended 31 December 2020**

	Notes	31 December 2020 \$	31 December 2019 \$
Continuing operations			
Other income		887	1,500
Government incentives and rebates		67,500	386,948
Fair value gain on loan notes	9	1,307,349	-
Foreign currency gain		904,760	-
Corporate and administration expenses		(542,063)	(680,140)
Employee benefits		(316,272)	(390,842)
Business development and marketing		(250,384)	(434,886)
Finance costs		(1,111,586)	(890,121)
Exploration expenses		(2,793,258)	(2,956,347)
Share based payments	11	(604,591)	(24,455)
Loss before income tax		(3,337,658)	(4,988,343)
Income tax expense		-	-
Loss for the half-year after tax		(3,337,658)	(4,988,343)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		(185,020)	4,482
Total comprehensive loss for the period		(3,522,678)	(4,983,861)
Net loss is attributable to:			
Owners of Marvel Gold Limited		(3,337,658)	(4,988,343)
Total comprehensive loss is attributable to:			
Owners of Marvel Gold Limited		(3,522,678)	(4,983,861)
Earnings per share attributable to owners of the Company			
		\$	\$
Basic EPS		(0.01)	(0.05)
Diluted EPS		(0.01)	(0.05)

The above condensed consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the interim financial report.

Condensed consolidated statement of financial position
as at 31 December 2020

	Notes	31 December 2020 \$	30 June 2020 \$
ASSETS			
Current assets			
Cash and cash equivalents		5,140,858	304,633
Asset held for sale	5	5,000,000	-
Trade and other receivables	6	231,140	142,900
Total current assets		10,371,998	447,533
Non-current assets			
Property, plant and equipment		384,792	69,072
Exploration and evaluation assets	7	1,230,834	5,000,000
Total non-current assets		1,615,626	5,069,072
Total assets		11,987,624	5,516,605
LIABILITIES			
Current liabilities			
Trade and other payables	8	(458,040)	(437,200)
Shareholder funds received in advance		-	(35,000)
Provisions		(131,824)	(198,328)
Liabilities directly associated with assets classified as held for sale	9	(7,419,909)	-
Loans and borrowings	9	-	(8,748,377)
Total current liabilities		(8,009,773)	(9,418,905)
Non-current liabilities			
Provisions		(9,621)	(73,641)
Total non-current liabilities		(9,621)	(73,641)
Total liabilities		(8,019,394)	(9,492,546)
Net (liabilities)/assets		3,968,230	(3,975,941)
EQUITY			
Share capital	10	31,134,472	20,272,214
Reserves		1,736,352	1,316,781
Accumulated losses		(28,902,594)	(25,564,936)
Total equity		3,968,230	(3,975,941)

The above condensed consolidated statement of financial position is to be read in conjunction with the notes to the interim financial report.

Condensed consolidated statement of changes in equity
for the half-year ended 31 December 2020

	Notes	Contributed equity \$	Foreign currency translation reserve \$	Share based payment reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2019		16,832,075	(41,024)	1,490,088	(18,078,094)	203,045
Total comprehensive income for the period:						
Loss for the period		-	-	-	(4,988,343)	(4,988,343)
Foreign exchange translation differences		-	4,482	-	-	4,482
Total comprehensive loss for the period		-	4,482	-	(4,988,343)	(4,983,861)
Transactions with owners in their capacity as owners:						
Issue of shares net of transaction costs		2,255,410	-	-	-	2,255,410
Employee share schemes - value of employee services		-	-	24,455	-	24,455
Balance at 31 December 2019		19,087,485	(36,542)	1,514,543	(23,066,437)	(2,500,951)

Condensed consolidated statement of changes in equity
for the half-year ended 31 December 2020

	Notes	Contributed equity \$	Foreign currency translation reserve \$	Share based payment reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020		20,272,214	(23,724)	1,340,505	(25,564,936)	(3,975,941)
Total comprehensive income for the period:						
Loss for the period		-	-	-	(3,337,658)	(3,337,658)
Foreign exchange translation differences		-	(185,020)	-	-	(185,020)
Total comprehensive loss for the period		-	(185,020)	-	(3,337,658)	(3,522,678)
Transactions with owners in their capacity as owners:						
Issue of shares net of transaction costs	10	9,955,136	-	-	-	9,955,136
Shares issued to earn-in to joint ventures	10	700,000	-	-	-	700,000
Shares issued to pay-out annual leave provision	10	57,122	-	-	-	57,122
Shares issued to financier	10	150,000	-	-	-	150,000
Employee share schemes - value of employee services		-	-	604,591	-	604,591
Balance at 31 December 2020		31,134,472	(208,744)	1,945,096	(28,902,594)	3,968,230

The above condensed consolidated statement of changes in equity is to be read in conjunction with the notes to the interim financial report.

Condensed consolidated statement of cash flows
for the half-year ended 31 December 2020

	31 December 2020	31 December 2019
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(1,035,722)	(853,792)
Payments for business development and marketing	(422,665)	(460,088)
Payment of exploration and evaluation expenditure	(3,120,099)	(3,000,889)
Receipts from government incentives and rebates	67,500	386,948
Interest received	887	1,500
Net cash (outflow) from operating activities	(4,510,099)	(3,926,321)
Cash flows from investing activities		
Payment for property, plant and equipment	(348,589)	(7,775)
Payments for earn-in joint venture stage payments	(380,834)	-
Net cash (outflow) from investing activities	(729,423)	(7,775)
Cash flows from financing activities		
Proceeds from the issue of loan notes	-	1,353,701
Loan note issue costs	(59,500)	(66,328)
Proceeds from the issue of ordinary shares	10,922,353	2,500,000
Share issue transaction costs	(795,096)	(244,590)
Net cash inflow from financing activities	10,067,757	3,542,783
Net increase / (decrease) in cash and cash equivalents	4,828,236	(391,313)
Cash and cash equivalents at the beginning of the period	304,633	1,264,791
Effects of exchange rate changes on cash and cash equivalents	7,990	(1,048)
Cash and cash equivalents at the end of the period	5,140,859	872,430

The above condensed consolidated statement of cash flows is to be read in conjunction with the notes to the interim financial report.

Notes to the condensed consolidated financial statements

1. Corporate information

Marvel Gold Limited (**Marvel** or the **Company**) is a company incorporated in Australia and limited by shares. Marvel shares are publicly traded on the Australian Securities Exchange under the stock code MVL. The condensed consolidated interim financial statements of the Company as at, and for the half-year ended, 31 December 2020 comprise the Company and its subsidiaries (together the **Group**).

During the period, the principal continuing activities of the Group related to the exploration for gold on the Company's West and South Mali tenement package and the assessment of options for the Chilalo Graphite Project to realise value for shareholders.

The consolidated financial statements of the Group as at and for the year ended 30 June 2020 are available online at www.marvelgold.com.au or upon request from the Company's registered office located at Level 1, Emerald House, 1202 Hay Street, West Perth 6005, Australia.

This financial report was authorised for issue in accordance with a resolution of the Directors on 12 March 2021.

2. Basis of preparation and accounting policies

This general purpose interim financial report for the half-year ended 31 December 2020 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The financial report does not include all notes of the type normally included within the annual financial report. However, selected explanatory notes are included to explain events and transactions that are important to an understanding of changes in the Group's financial position and performance since the last annual consolidated financial statements, as of, and for the year ended 30 June 2020.

It is recommended that this interim financial report be read in conjunction with the annual report for the year ended 30 June 2020 and considered together with any public announcements made by the Company during the half-year ended 31 December 2020 in accordance with the Company's continuous disclosure obligations.

(a) Going concern

These financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss of \$3,337,658 and had net cash outflows from operating activities of \$4,510,099 for the half-year ended 31 December 2020. As at that date, the Group had net current assets of \$2,362,225. The Company is carrying loans and borrowings of \$7,419,909. During the half-year the loans and borrowings were novated to a subsidiary (i.e. no security recourse to the Company) and extended the repayment date to 29 October 2022. The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to secure funds by raising capital from equity markets and managing cash flows in line with available funds.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report.

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- As disclosed above, the Company amended the terms of the Loan Note Subscription Agreement (**LNSA**) to extend the repayment date and limit the security over the Company's asset to that of its holding company and subsidiary.
 - Should the Chilalo sale or refinance process yield cash proceeds that exceed the LNSA debt, the Company will receive the excess proceeds.
 - If the Chilalo process does not result in repayment of the LNSA by 29 October 2022, Castlake will take control of the Chilalo Project with no further recourse to the Company.
- The Group has the ability to issue additional equity securities under the Corporations Act 2001 to raise further working capital; and
- The Group has the ability to curtail administrative, discretionary exploration and overhead cash outflows as and when required.

Should the Company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Company not continue as a going concern.

Notes to the condensed consolidated financial statements

3. Accounting policies

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those disclosed in the Company's 2020 annual financial report for the financial year ended 30 June 2020 other than outlined below.

(a) New and amended standards adopted by the Company

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

(b) Impact of standards issued but not yet adopted by the entity

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(c) Non-current assets classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

4. Use of judgements and estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 June 2020, other than disclosed below:

(a) Borrowings

As disclosed in note 9, the terms of the Interim Loan Notes previously issued by the Company were materially changed during the half year including but not limited to extending the term of the Interim Loan Notes by two years and accruing a 7.5% restructuring fee. Under the requirements of AASB 9 - Financial Instruments the accounting for modification of a financial liability depends on whether the modification is a substantial or a non-substantial modification. The modification is substantial where the present value of the restructured cash flows differ from the carrying value of the debt by more than 10%. The Company has accounted for the modification as substantial. In making this assessment, the Company applied a discount rate of 30% to the present value of restructured cashflow. The Company is the only ASX listed graphite company that has secured debt and therefore the discount rate used to assess fair value was the effective interest rate at the date of amendment being the only reference to the fair value of the cost of debt.

Notes to the condensed consolidated financial statements

5. Assets held for sale

	31 December 2020	30 June 2020
	\$	\$
Chilalo Graphite Project	5,000,000	-
	5,000,000	-

The Company's Chilalo Graphite Project in Tanzania has been transferred to held for sale as it is now likely this asset will be disposed of by the Group. The Company has received numerous investor enquiries about the project and is assessing the best pathway to maximise value for shareholders including a possible demerger and initial public offering on the ASX. Initial discussion with investors are commercial in confidence however the Directors have assessed the potential value of this project on disposal is likely to exceed its carrying value.

6. Trade and other receivables

	\$	\$
Accounts receivable	54,272	94,803
Other receivables	35,792	30,917
Prepayments	141,076	17,180
	231,140	142,900

7. Exploration and evaluation expenditure

(a) Reconciliation of exploration and evaluation expenditure

Carrying amount at beginning of the period	5,000,000	5,000,000
Acquisition of tenements and JV earn-ins - Mali	1,230,834	-
Transferred to assets held for sale	(5,000,000)	-
Carrying amount at the end of the period	1,230,834	5,000,000

During the half year, the Company entered into a joint venture agreement on the Tabakorole and Lakanfla gold projects with Altus Strategies Inc. The Company has various earn in exploration requirements (as announced on the ASX on 17 June 2020) to earn up to 80% interest in the projects. A number of payments were required for the initial acquisition and as the Company progresses through the joint venture stages including:

- Stage 1 – On 4 August 2020, the Company paid US\$450,000 in shares to acquire its initial joint venture interests.
- Stage 2 – On 17 December 2020, the Company made a US\$200,000 payment to progress to stage 2 of the Tabakorole JV.
- Stage 3 – Subsequent to the end of the period, the Company made a US\$150,000 payment to progress to stage 3 of the Tabakorole JV. This amount is not included in the balance of \$1,230,834 at the end of the period.

During the half year, the Company also entered into a joint venture agreement with Oklo Resources Limited on its West Mali projects. Subsequent to the end of the period, the Company completed this transaction earning 80% in the joint venture by paying cash consideration of \$200,000. \$50,000 of the consideration was paid prior to 31 December 2020 with the balance subsequent to half-year end. The Company anticipates issuing 20,000,000 shares to Oklo once certain tenements are renewed. A further 20,000,000 Company shares will be paid as consideration dependent on further milestones.

The Company also entered into a joint venture with SOMICO over the Sakaar exploration permit to earn up to 80% dependent on completion of three stage of various exploration targets. The Company reimbursed SOMICO \$21,958 for permit application fees.

8. Trade and other payables

	31 December 2020	30 June 2020
	\$	\$
Creditors	142,336	306,099
Accruals	238,468	30,001
Other payables	77,236	101,100
	458,040	437,200

Notes to the condensed consolidated financial statements

9. Loans and borrowings

Current	Note		
Opening loan balance		8,748,377	5,799,825
Loan notes issued		-	1,358,576
Effective interest capitalised		98,211	1,487,919
Foreign currency movement		-	102,057
Loan balance as at 20 July 2021 prior to modification of terms		8,846,588	-
Reclassification – liabilities directly associated with assets classified as held for sale		(8,846,588)	-
		-	8,748,377
Liabilities directly associated with assets classified as held for sale			
Loan balance 20 July 2020 prior to modification of terms		8,846,588	-
Fair value gain on modification of terms	4(a)	(1,307,349)	-
Borrowing costs		(150,000)	-
Effective interest capitalised for the half year		927,439	-
Foreign currency movement		(896,769)	-
		7,419,909	-

On 17 June 2020 the Company announced the Company's financier, Castlake had decided not to proceed with the Senior Funding Package of up to \$80,000,000 in debt and equity. As a result, the Company agreed with Castlake to restructure the Interim Loan Notes debt which included:

- Confining the Financier's security to Chilalo Project related assets and removing the Castlake's legal recourse to the Company;
- Paying an amendment fee of 7.5% of the debt capitalised into the balance of the loan notes;
- Paying a security release fee of US\$100,000;
- Issuing 7.5 million shares of the Company;
- Extending the due date of the debt by two years to October 2022;
- Undertaking steps to either sell the Chilalo Project or refinance the Castlake debt amount;
- Should the Chilalo sales process yield cash proceeds that exceed the LNSA debt, the Company will received the excess proceeds; and
- If the Chilalo process does not result in repayment of the LNSA by 29 October 2022, the Castlake will take control of the Chilalo Project with no further recourse to the Company.

10. Share capital

	31 December 2020		30 June 2020	
	Shares	\$	Shares	\$
(a) Issued and paid up capital				
Ordinary fully paid shares	508,644,058	31,134,472	115,011,555	20,272,214
(b) Movement in ordinary shares				
Opening balance at 1 July	115,011,555	20,272,214	88,145,208	16,832,075
Issue of equities				
Shares issued to payout annual leave balances ³	2,851,717	57,122	-	-
Shares issued to Directors ⁴	769,231	-	-	-
Share placement ¹	252,511,555	5,050,231	26,553,847	3,389,909
Share placement ²	95,000,000	5,700,000	-	-
Shares issued to interim loan note holders ⁵	7,500,000	150,000	312,500	457,300
Shares issued to acquire joint venture ⁶	35,000,000	700,000		
	393,632,503	11,657,263	115,011,555	
Less: Transaction costs arising on share issues	-	(795,095)	-	(407,070)
	508,644,058	31,134,472	115,011,555	20,272,214

Notes to the condensed consolidated financial statements

10. Share capital (cont.)

¹ The issue of shares was 137,500,000 fully paid ordinary shares for \$0.02 consideration via a placement and an underwritten rights entitlement offer of 115,011,555 fully paid ordinary shares issued at \$0.02.

² The issue of 95,000,000 fully paid ordinary shares for \$0.06 consideration via a placement.

³ The issue of 2,851,717 fully paid ordinary shares issued for nil consideration with a deemed price of \$0.02 to payout key management personnel annual leave balances that were in excess of four weeks as at 20 July 2020.

⁴ The issue of 769,231 fully paid ordinary shares to Directors at a price of \$0.065. The shares were paid for prior to 1 July 2020 and were approved for issue at the Company's shareholder meeting during the half-year.

⁵ The issue of 7,500,000 fully paid ordinary shares to the Company's Interim Loan Note Holders at a price of \$0.02 as a fee for the restructure of the Interim Loan Notes.

⁶ The issue of 35,000,000 fully paid ordinary shares to acquire its initial joint venture interests in Mali from Capital DI Limited.

11. Share based payments

During the half year ended 31 December 2020 the following options were issued to Directors and Officers of the Company as short-term and long-term incentives under the Company's Employee Share Scheme which was last approved in July 2020.

Option series	Exercise price	Grant date	Vesting date	No. of options	Total expense recognized
Directors	\$0.035	20/07/2020	29/07/2020	12,900,000	240,388
Directors	\$0.06	20/07/2020	29/07/2020	6,450,000	103,292
Directors	\$0.10	20/07/2020	29/07/2020	6,450,000	91,643
Employee share scheme ("ESS")	\$0.035	20/07/2020	29/07/2020	5,150,000	91,445
Employee share scheme	\$0.06	20/07/2020	29/07/2020	2,575,000	41,237
Employee share scheme	\$0.10	20/07/2020	29/07/2020	2,575,000	36,586
Total				36,100,000	604,591

The fair value of services received in return for the share options granted is measured by reference to the fair value of options granted. The estimate of the fair value of the services is measured based on a Black-Scholes option valuation methodology.

The assumptions used for the options valuation are as follows:

	Director and ESS options	Director and ESS options	Director and ESS options
Underlying value of the security	\$0.024	\$0.024	
Exercise price	\$0.035	\$0.06	\$0.10
Valuation date	20/07/20	20/07/20	20/07/20
Vesting date	29/07/20	29/07/20	29/07/20
Expiry date	29/07/24	29/07/24	29/07/24
Risk free rate	0.4%	0.4%	0.4%
Volatility	120%	120%	120%
Life of Options in years	4.03	4.03	4.03
Number of Options	18,050,000	9,025,000	9,025,000
Valuation per Option	\$0.018	\$0.016	\$0.014
Amount expensed during the half year	\$331,834	\$144,528	\$128,230

There are no vesting conditions associated with above options.

Notes to the condensed consolidated financial statements

12. Related party transaction

During the half year ended 31 December 2020 the Company's Directors were issued 25,800,000 options. Refer to note 11 for the terms and valuation of these options.

13. Events since the end of the half-year

Subsequent to year end:

- On the 8 January 2021 the Company made a payment of \$150,000 under the Oklo Resources Limited joint venture which completed the Company's earn in to 80% of the south Mali gold projects including Sirakourou, Solabougouda, Kolondieba and Yanfolila.
- On the 11 February 2021 the Company changed its auditors, subject to the ratification by the Company's shareholders from PricewaterhouseCoopers to BDO Audit (WA) Pty Ltd.
- The Company made a payment of US\$150,000 to Altus Strategies plc in order to progress into stage 3 of the joint venture. At the completion of stage 3, the Company can earn up to 70% ownership in the Tabakorole license.

There are no other matters or circumstances have arisen since the end of the half-year year that significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

14. Contingent liabilities

The Group had the following contingent liabilities as at 31 December 2020. As part of the Company's joint venture with Oklo Resources Limited (**Oklo**) the Company has two deferred consideration milestones which are:

- The Company will issue 10,000,000 Marvel shares to Oklo within 5 business days of Marvel announcing:
 - a JORC 2012 Mineral Resource at the Yanfolila or Kolondieba projects of any resource category of not less than 500,000 oz of gold or gold equivalent at a minimum grade of 1 g/t; or
- a JORC 2012 Mineral Resource at the Sirakourou, Solabougouda and Solabougouda South licences (now part of the Tabakorole project) of any resource category of not less than 350,000 oz of gold or gold equivalent at a minimum grade of 1 g/t. The Company will issue 10,000,000 Marvel shares to Oklo within 5 business days of Marvel announcing:
 - a JORC 2012 Mineral Resource at the Yanfolila and Kolondieba projects of any resource category of not less than 1,000,000 oz of gold or gold equivalent at a minimum grade of 1 g/t; or
 - a JORC 2012 Mineral Resource at the Sirakourou, Solabougouda and Solabougouda South (now part of the Tabakorole project) licences of any resource category of not less than 700,000 oz of gold or gold equivalent estimated at a minimum grade of 1 g/t.

15. Operating segments

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker. The Group has two operating segments with the main operating segment being exploration for gold in Mali and the secondary segment being the realisation of value from the companies Graphite project in Tanzania.

In respect of the exploration operating segment, geographically the Company's primary focus is exploration in Mali and secondary focus on Tanzania.

Segment loss	Exploration and evaluation Tanzania (\$)	Exploration and evaluation Mali (\$)	Unallocated (\$)	Total (\$)
31 December 2020	210,467	2,688,859	438,332	3,337,658
31 December 2019	724,191	-	4,264,243	4,988,434

Assets	Exploration and evaluation Tanzania (\$)	Exploration and evaluation Mali (\$)	Unallocated (\$)	Total (\$)
31 December 2020	5,012,717	1,080,834	5,894,073	11,987,624
30 June 2020	5,097,768	-	418,837	5,516,605

Notes to the condensed consolidated financial statements

14. Operating segments (cont.)

Liabilities	Exploration and evaluation Tanzania (\$)	Exploration and evaluation Mali (\$)	Unallocated (\$)	Total (\$)
31 December 2020	(1,136)	(7,421,045)	(598,349)	(8,019,394)
30 June 2020	(27,466)	-	(9,465,080)	(9,492,546)

During the half-year, the Company acquired the Mali exploration segment, therefore there is a new segment from the last annual report.

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Directors declaration

In accordance with a resolution of the Directors of Marvel Gold Limited (the **Directors**), I state that:

In the opinion of the Directors:

- (a) The financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001* and:
- (i) give a true and fair view of the financial position as at 31 December 2020 and the performance for the half-year ended on that date of the consolidated entity
 - (ii) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*
- (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 made pursuant to Section 303(5) of the *Corporations Act 2001*.

On behalf of the Board



Stephen Dennis

Chairman

PERTH

On this 12th March 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Marvel Gold Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Marvel Gold Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of statement of 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 makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with 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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material uncertainty relating to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

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Responsibility of the directors for the 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 for the review of the financial report

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 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 financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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.

BDO Audit (WA) Pty Ltd

BDO


Dean Just

Director

Perth, 12 March 2021

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