ANGLO AUSTRALIAN RESOURCES NL
AND ITS CONTROLLED ENTITIES

ABN 24 651 541 976

Annual Report
For the year ended 30 June 2021

Contents

Corporate Directory

This financial report includes the consolidated financial statements and notes of Anglo Australian Resources NL (**Anglo Australian** or the **Company**) and its controlled entities (the **Group**). The Group's functional and presentation currency is AUD ($).

A description of the Group's operations and of its principal activities is included in the review of operations and activities in the Directors' report. The Directors' report is not part of the financial report.

Directors

Leigh Warnick - Non-Executive Chairman
Marc Ducler - Managing Director
John Jones - Non-Executive Director
Peter Stern - Non-Executive Director
David Varcoe - Non-Executive Director

Company Secretary

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Perth WA 6000

Solicitors

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152-158 St George's Terrace
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ASX Code: **AAR**

Review of Operations

Anglo Australian Resources NL's (**AAR** or the **Company**) principal activity during the financial year was progressing the Company's 100% owned Mandilla Gold Project (**Mandilla**).

Mandilla was the subject of significant exploration and resource definition effort during the financial year, with more than 34km of reverse circulation (RC) and diamond drilling completed. This culminated in the release of a maiden Mineral Resource Estimate (**MRE**) for the Mandilla Gold Project during May 2021 of **15.57Mt at 1.0g/t Au for 500.4koz of contained gold**. An updated MRE was then released during August 2021 for **19.8Mt at 1.0g/t Au for 664.6koz of contained gold**.

Mineralisation at Mandilla has to date been identified over a strike length of approximately 3.1km, inclusive of the Mandilla East prospect, Mandilla South prospect and the newly identified Eos prospect. The Eos prospect, which is not included in the MRE, is situated to the south of Mandilla South. Eos is a consistent zone of high-grade gold mineralisation that has to date been identified for more than 600m along strike at just 40m below surface.

AAR completed the farm-out transaction with AuKing Mining Limited (**AuKing**) during the June 2021 Quarter with respect to the Koongie Park Base Metals Project (**Koongie Park**). The completion of this transaction is consistent with the Company's strategy to focus on its flagship Mandilla Gold Project and the nearby Feysville Gold Project (**Feysville**).

The Group's operations during the financial year have been affected by COVID-19; however, the combined collaborative support of Government, representative industry bodies, employees, contractors, suppliers and our host communities has allowed the Company to adapt and mitigate, as far as practicable, the risks this infectious disease presents. The Company will continue to pursue its exploration activities, subject to the evolving and unforeseen impacts of COVID-19.

Mandilla Gold Project

Anglo Australian – 100%

Mandilla is situated in the northern Widgiemooltha greenstone belt in the western part of the Kalgoorlie geological domain, some 70 kilometres south of Kalgoorlie, Western Australia, a significant gold mining centre. The location of Mandilla in relation to Kalgoorlie and other nearby gold projects is set out in Figure 1.

Mandilla lies on the western margin of a porphyritic granitic intrusion, the Emu Rocks Granite. The granite intrudes volcanoclastic sedimentary rocks in the project area which form part of the Spargoville Group. Mandilla comprises the Mandilla East prospect, the Mandilla South prospect, the previously mined paleochannel pit and the newly discovered Eos prospect.

Significant NW to WNW-trending structures along the western flank of Mandilla are interpreted from aeromagnetic data to cut through the granitic intrusion and may be important in localising mineralisation at Mandilla East. A second sub-parallel structure appears to host Mandilla South. Both prospects are covered by Mining Leases.

A map of Mandilla, illustrating key locations and geological features, is shown in Figure 2.

During the year, the Company's primary focus was on exploration and resource definition drilling at Mandilla, in order to delineate the maiden MRE and advance the project towards a potential development. The maiden MRE was declared on 27 May 2021 and was subsequently updated on 17 August 2021. The MRE is discussed in detail below.

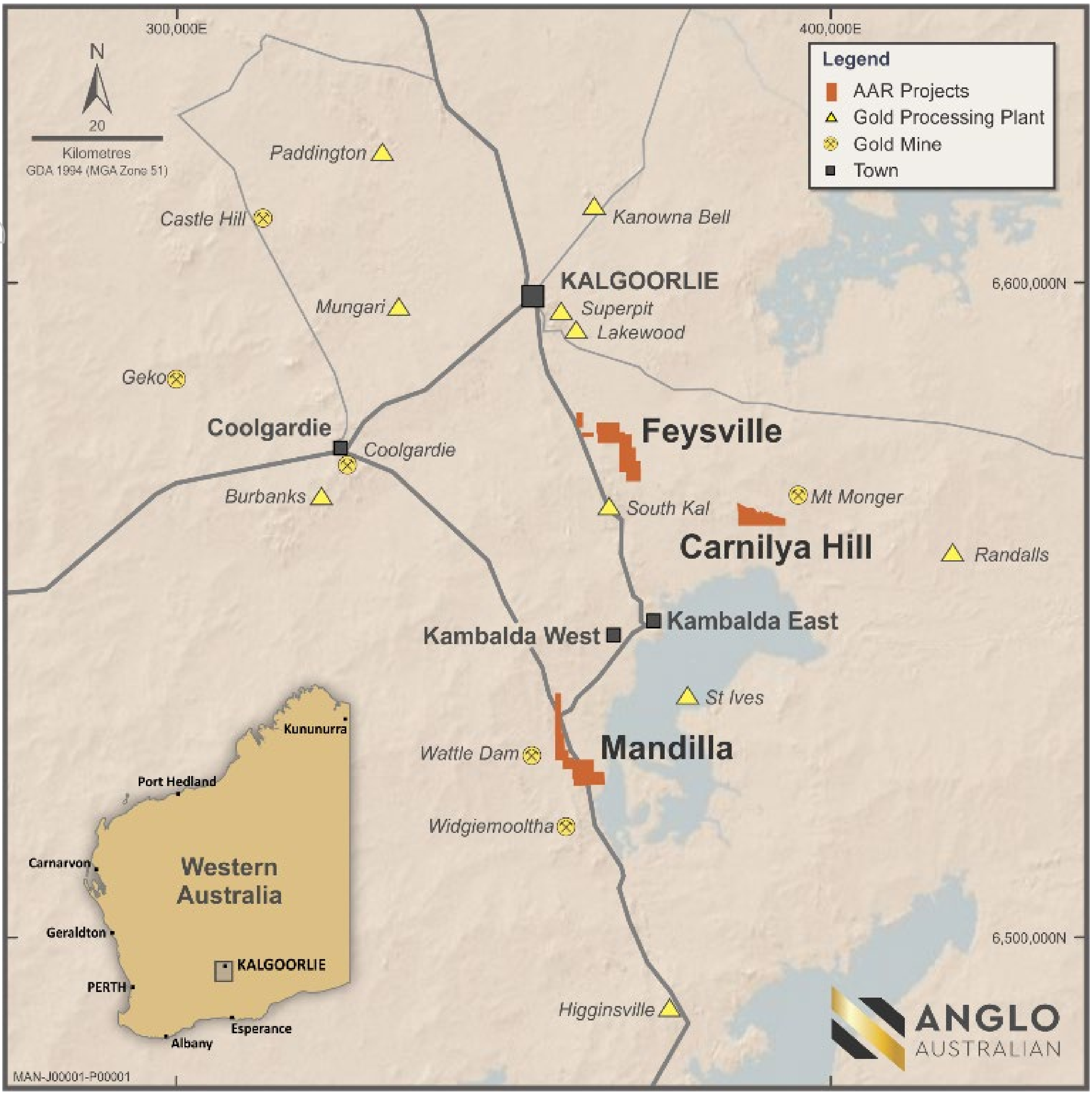

Figure 1 – Mandilla location map.

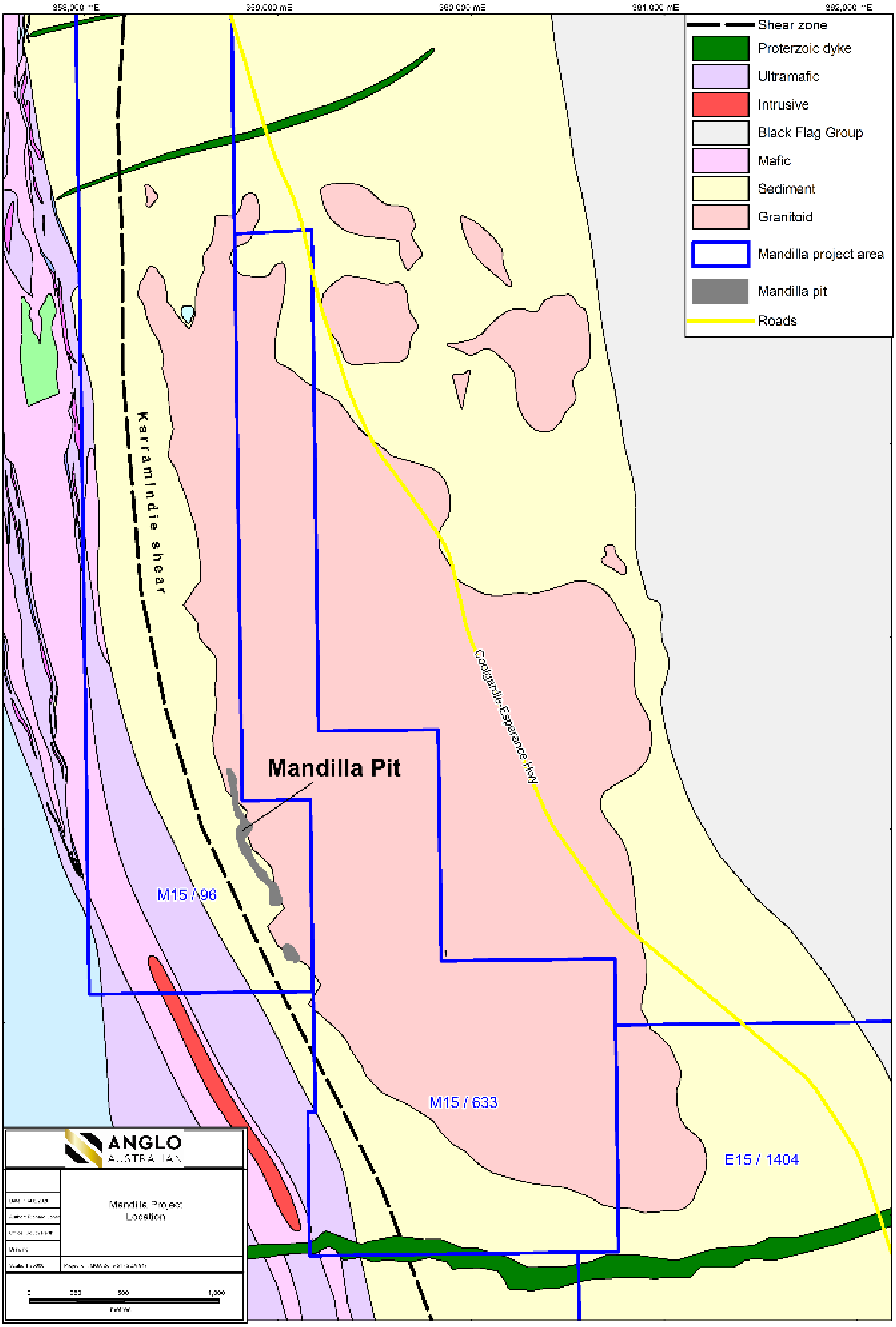

Figure 2: Mandilla local area geology.

Drill Programs

Four separate drilling programs were undertaken during the year, combining for a total of 34,499m of drilling, comprising 28,932m of RC drilling and 6,601m of diamond drilling. The drill programs are summarised into four programs each of which is discussed in further detail below.

1. 2020 Diamond Program

The 2020 Diamond Drilling Program (**DD20**) commenced during June 2020 and was completed during late August 2020. DD20 included a planned 13-hole diamond drilling program for an aggregate of 3,000m. Upon completion, a total of 13 holes and an aggregate of 3,931m was drilled, of which 3,080m were completed during the year.

Diamond drill holes were collared on 40m spaced sections to provide data to assist in the geological interpretation and test down-plunge extensions of the mineralisation at Mandilla East.

A total of 11 diamond holes were drilled on Mandilla East for a total of 3,414m. A single diamond hole was drilled to follow up the Mandilla East southern extension (MDRCD184) for a total of 219m and a single diamond hole was drilled to test Mandilla South (MDRCD237) for a total of 298m.

2. 2020 RC Program

The 2020 RC Program (**RC20**) commenced during September 2020 and was completed during December 2020 for a total of 99 holes and 14,863m of drilling, incorporating the following:

- 27 holes for 3,955m of drilling to in-fill the Mandilla East mineralisation to a 40m x 40m drill density over the majority of the delineated strike extent; and
- 74 holes for 10,908m of drilling testing the scale of mineralisation at Mandilla South and testing the potential of the corridor between Mandilla East and Mandilla South.

3. 2021 RC Program

The 2021 RC Program (**RC21**) commenced on 6 January 2021 and concluded during April 2021 and comprised a total of 97 RC holes and 4 pre-collars for a total of 14,074m comprising:

- 1 hole for 160m testing mineralisation north of Mandilla East;
- 19 holes for 3,531m of in-fill drilling at Mandilla East;
- 11 holes for 1,540m to test the south-eastern extension to Mandilla East;
- 16 holes for 2,345m to test the potential linkage of Mandilla East to Mandilla South;
- 18 holes for 2,613m of in-fill drilling at Mandilla South;
- 13 holes for 1,040m of drilling to test the supergene zone located south-east of Mandilla South; and
- 19 holes for 2,845m of drilling at Mandilla East incorporating in-fill drilling and testing the south/south-east extension.

4. 2021 Diamond Program

The 2021 Diamond Program (**DD21**) commenced during February 2021 and concluded during April 2021 with drilling focused on resource definition at Mandilla East, drill testing for mineralisation between Mandilla East and Mandilla South and geotechnical drilling. A total of 16 holes for 2,669m of diamond drilling was completed. This included five geotechnical diamond holes for a total of 537m.

Image 1 – RC drilling at Mandilla East

To 30 June 2021, across a number of drilling campaigns, the Company has undertaken a total of 49,145m of RC drilling and 7,626m of diamond drilling for a total of 56,771m of drilling. This represents a significant investment in exploration drilling and demonstrates the Company's belief in the geological potential of Mandilla.

Drill Results

The Company released a significant number of drill results from the four separate drilling programs undertaken during the year. A summary of the drill results released during the year and post-year-end, are provided in chronological order below:

11 August 2020

On 11 August 2020, the Company announced the results from a total of 4 diamond holes for an aggregate of 1,152m, drilled as part of the DD20 program.

Results included the following:

- **76.5m @ 1.21g/t Au** from 296m in MDRCD191;
- **13.4m @ 7.02g/t Au** from 180.4m plus **1.82m @ 15.71g/t Au** from 222.28m in MDRCD228;
- **9.35m @ 1.04g/t Au** from 201.4m plus **11.1m @ 1.83g/t Au** from 261.7m in MDRCD217; and
- **10.9m @ 1.52g/t Au** from 196.2m plus **15.55m @ 1.12g/t Au** from 260.45m in MDRCD229.

Visible gold was logged within the quartz vein zones of all the significant diamond drill intersections reported for each of the four holes.

15 September 2020

On 15 September 2020, the Company announced the results from the remaining 8 diamond drill holes from the DD20 program for an aggregate 2,376m drilled.

Six diamond drill holes were collared on 40m spaced sections to provide data to assist in the geological interpretation and test down-plunge extensions of the mineralisation at Mandilla East.

One diamond hole was drilled to follow up the Mandilla East southern extension (MDRCD184) and one hole to test Mandilla South (MDRCD237).

One diamond drill hole (MDRCD236) was utilised for geotechnical evaluation and formed part of the metallurgical test program discussed in subsequent sections.

Results included the following:

- **81.4m @ 1.63g/t Au** from 179.6m in MDRCD230;
- **40.5m @ 1.91g/t Au** from 274.5m plus **10.1m @ 1.39g/t Au** from 130.6m plus **13.7m @ 1.00g/t Au** from 250.7m in MDRCD231;
- **2.8m @ 6.41g/t Au** from 131.6m plus **5.0m @ 4.23g/t Au** from 264.7m in MDRCD232;
- **8.2m @ 1.84g/t Au** from 129.3m in MDRCD234; and
- **16.9m @ 1.39g/t Au** from 165.8m plus **6.4m @ 2.06g/t Au** from 197.5m in MDRC237.

17 February 2021

On 17 February 2021, the Company announced the results from a total of 62 RC holes for an aggregate of 9,066m, completed as part of the RC20 program drilled up until the Christmas/New Year break at Mandilla South, including the exploration targets to the east and south-east.

Results included the following:

- **17m @ 3.29g/t Au** from 101m in MDRC301;
- **52m @ 1.00g/t Au** from 123m in MDRC303;
- **21m @ 1.11g/t Au** from 105m plus **1m @ 14.96g/t Au** from 63m in MDRC310;
- **24m @ 0.83g/t Au** from 88m in MDRC299;
- **10m @ 1.36g/t Au** from 50m in MDRC298;
- **11m @1.21g/t Au** from 114m in MDRC296; and
- **19m @ 0.84g/t Au** from 58m in MDRC281.

These results demonstrate a growing footprint of mineralisation at Mandilla South, delineating wide zones of mineralisation that remain open at depth and along strike to the north. This confirmed the potential for the bedrock mineralisation between Mandilla South and Mandilla East to link up.

26 March 2021

On 26 March 2021, the Company announced the results from a total of 34 RC holes for an aggregate of 5,307m, completed as part of the RC20 program drilled up until the Christmas/New Year break. Of the reported 34 RC holes, 23 holes for an aggregate of 3,620m represented in-fill and extensional drilling at Mandilla East with the remaining 11 holes for an aggregate of 1,687m drilled at Mandilla South.

At the northern extents of the Mandilla East mineralisation, results returned broad zones of low-grade mineralisation that were consistent with previous drilling in this area.

Results included:

- **19m @ 0.58g/t Au** from 116m in MDRC241;
- **27m @ 0.50g/t Au** from 70m in MDRC245;
- **19m @ 0.59g/t Au** from 130m in MDRC242; and
- **28m @ 0.41g/t Au** from 37m in MDRC246.

A high-grade zone at the northern extent of Mandilla East, which returned a previously reported intersection of **9m @ 5.89g/t Au** from 76m in MDRC195, returned further high-grade intercepts from holes drilled nearby including:

- **18m@ 4.74g/t Au** from 54m in MDRC351; and
- **16m @ 1.40g/t Au** from 36m in MDRC352.

Further south of the above intersections, in-fill drilling intersected:

- **29m @ 1.81g/t Au** from 105m in MDRC357;
- **7m @ 4.61g/t Au** from 74m in MDRC364; and
- **19m @ 0.83g/t Au** from 30m in MDRC358.

At Mandilla South, significant results included:

- **21m @ 1.07g/t Au** from 57m in MDRC318; and
- **10m @ 1.89g/t Au** from 108m in MDRC307.

20 April 2021

On 20 April 2021, the Company announced the results from a total of 18 RC holes for an aggregate of 3,061m of in-fill drilling in the Mandilla East Main Zone of which 15 holes for an aggregate of 2,531m were drilled as part of the RC21 program. The remaining three holes for an aggregate of 530m were completed as part of the RC20 program up to December 2020. Best reported results from the Mandilla East Main Zone drilling included:

- **83m @ 1.47g/t Au** from 96m in MDRC326;
- **64m @ 1.88g/t Au** from 44m in MDRC324;
- **84m @ 1.00g/t Au** from 91m in MDRC329;
- **53m @ 0.92g/t Au** from 58m plus **36m @ 1.24g/t Au** from 124m in MDRC327; and
- **37m @ 0.97g/t Au** from 113m in MDRC330.

MDRC324 which returned an intersection of **64m at 1.88g/t Au** from 44m, also demonstrated significant quantities of visible gold when panned (refer to Image 2). The interval from 102 to 103m assayed **8.02g/t Au** and is further testament to the significant quantities of visible gold evident at Mandilla.

Image 2 - Visible gold in MDRC324 from 102m - 103m

The Mandilla East in-fill results demonstrate a continuous wide zone of gold mineralisation. Historically this area has delivered the widest and highest-grade intersections and the most recent in-fill results continue to build on this high-grade zone.

20 May 2021

On 20 May 2021, the Company announced the results from a total of 15 RC holes completed as part of the RC21 program for an aggregate of 2,200m with the drilling targeting mineralisation to the south of Mandilla East. Best results include:

- **66m at 1.77g/t Au** from 70m in MDRC334;

- **9m at 4.21g/t Au** from 85m in MDRC341;
- **38m at 1.06g/t Au** from 78m and **17m at 1.08g/t Au** from 124m in MDRC347;
- **86m at 0.61g/t Au** from 105m in MDRC348;
- **18m at 1.23g/t Au** from 121m in MDRC340;
- **10m at 2.12g/t Au** from 48m in MDRC335; and
- **11m at 1.75g/t Au** from 41m in MDRC346.

29 July 2021

On 29 July 2021 (*post reporting date*), the Company announced the results from a total of 51 RC holes completed as part of the RC21 program for an aggregate 7,071m of drilling and two diamond holes for 584.5m of drilling. The results relate to drill samples submitted for assay from February to April 2021.

At Mandilla East, assay results were reported for 21 RC holes (including a 75m RC pre-collar) for an aggregate 3,052m and two diamond holes for an aggregate 584.5m. Best results included:

- **64.57m at 3.49g/t Au** from 190m, **14.39m at 2.89g/t Au** from 169.37m and **13.8m at 0.91g/t Au** from 139.7m in MDRCD377;
- **30m at 4.76g/t Au** from 84m in MDRC433;
- **37m at 3.07g/t Au** from 89m and **20m at 1.15g/t Au** from 38m in MDRC426;
- **39m at 1.23g/t Au** from 141m, **14m at 0.63g/t Au** from 119m and **10m at 0.60g/t Au** from 102m in MDRC427;
- **34m at 1.15g/t Au** from 105m in MDRC438;
- **24.45m at 1.40g/t Au** from 133.5m in MDRCD376;
- **17m at 1.76g/t Au** from 99m in MDRC424;
- **28m at 0.98g/t Au** from 45m in MDRC423;
- **6m at 3.61g/t Au** from 142m and **17m @ 1.15g/t Au** from 117m in MDRC435;
- **12m at 1.41g/t Au** from 141m in MDRC421;
- **8m at 1.92g/t Au** from 132m in MDRC428;
- **8m at 1.77g/t Au** from 102m and **20m at 0.52g/t Au** from 14m in MDRC429;
- **9m at 1.11g/t Au** from 41m in MDRC437.

Of these 21 holes, 15 returned results with gram metre intervals (i.e. the product of grams and metres) of greater than 5. Much of this drilling was conducted over a lightly-drilled area covering a 300m strike length extending Mandilla East to the south-east.

Three RC holes were drilled 80m to the north of the Mandilla East Main Zone. Holes were drilled 40m apart along section, with assays returning the following result highlights:

- **2m at 1.39g/t Au** from 23m in MDRC436;
- **9m at 1.11g/t Au** from 41m in MDRC437; and
- **34m at 1.15g/t Au** from 105m in MDRC438.

At Mandilla South, assay results were reported for 27 RC holes (including two RC pre-collars) for an aggregate 3,554m. Best results included:

- **10m at 1.30g/t Au** from 86m in MDRC394;
- **7m at 1.68g/t Au** from 68m in MDRC374;
- **8m at 1.03g/t Au** from 131m in MDRC387; and
- **3m at 2.56g/t Au** from 82m in MDRC385.

MDRCD377 located in the northern portion of Mandilla East, returned significant zones of mineralisation at depth. The laminated gold enriched veining is similar to, and potentially represents a deeper zone of increased enrichment currently thought to be associated with previously-reported holes MDRCD230 (**81.45m at 1.63g/t Au** from 179.6m) and MDRCD191 (**76.5m at 1.21g/t Au** from 296m), located 170m and 260m to the south respectively.

There were 42 observations of visible gold in core from MDRCD377. Two examples are illustrated below:

Image 3 – MDRCD377 which assayed 0.64m @ 35.97 g/t Au from 181m

Image 4 – MDRCD377 which assayed 0.7m @ 143.56 g/t Au from 223m

26 August 2021

On 26 August 2021 (post reporting date), the Company announced the results from a total of 21 RC holes for an aggregate of 2,432m of drilling. The results relate to drill samples completed as part of the RC21 program submitted for assay from February to April 2021 from in-fill drilling at Mandilla South and from drilling designed to target a shallow weathered zone south of Mandilla South (known as Eos), where previous drilling encountered mineralisation. Best new results include:

- **3m at 8.62g/t Au** from 51m in MDRC402;
- **12m at 1.52g/t Au** from 96m and **16m at 0.66g/t Au** from 59m in MDRC395;
- **12m at 1.29g/t Au** from 47m in MDRC388;
- **4m at 3.43g/t Au** from 52m in MDRC413;
- **4m at 3.14g/t Au** from 55m in MDRC406; and
- **4m at 2.88g/t Au** from 51m in MDRC414.

The newly-discovered mineralised zone at Eos is currently known to extend for 600m along strike and remains open to both the north and south.

Previous drilling identified a shallow zone of high-grade mineralisation at Eos, approximately 40m below surface with reported results including:

- **3m at 4.20g/t Au** from 42m in MSRC001;
- **7m at 1.05g/t Au** from 44m in WID2082;
- **2m at 3.42g/t Au** from 47m in MNAC816; and
- **4m at 1.57g/t Au** from 48m in WID2047.

As part of the recent campaign, previously identified mineralisation was followed up with 11 RC drill-holes for a total of 950m. The mineralisation is located within in-situ clays below the base of transported material. Best new results included:

- **3m at 8.62g/t Au** from 51m, including **1m at 25.47g/t Au** from 52m in MDRC402;
- **4m at 3.43g/t Au** from 52m, including **1m at 5.91g/t Au** from 53m in MDRC413;
- **4m at 3.14g/t Au** from 55m, including **1m at 11.76g/t Au** from 55m in MDRC406; and
- **4m at 2.88g/t Au** from 51m, including **1m at 8.51g/t Au** from 52m in MDRC414.

At Mandilla South a similar shallow zone of high-grade mineralisation has previously been identified above bedrock mineralisation. Here, previously reported results include:

- **12m at 1.29g/t Au** from 47m, including **1m at 11.33g/t Au** from 57m in MDRC388;
- **4m at 1.8g/t Au** from 55m in MDRC293;
- **4m at 1.28g/t Au** from 54m in MDRC275;
- **3m at 1.71g/t Au** from 53m, including **1m at 4.59g/t Au** from 53m in MDRC255; and
- **6m at 1.08g/t Au** from 54m in MDRC269.

Drill-hole MDRC402 represents a paleochannel-style of mineralisation, while the other mineralised drill-holes appear to be related to in-situ weathered clays which may be an important indicator for the presence of deeper bedrock mineralisation and will be followed up during the current program. The paleochannel mineralisation will also require further delineation drilling to determine its scale but could represent a valuable source of high-grade feed for a central processing hub at Mandilla.

The Eos area represents a potential large zone of flat-lying, high-grade mineralisation, close to surface, that extends from Mandilla South and remains open, with historic drill-holes holes south of the Proterozoic dyke (coloured green in Figure 3) also returning gold anomalism, including **4m at 0.82g/t Au** from 44m in MNAC861.

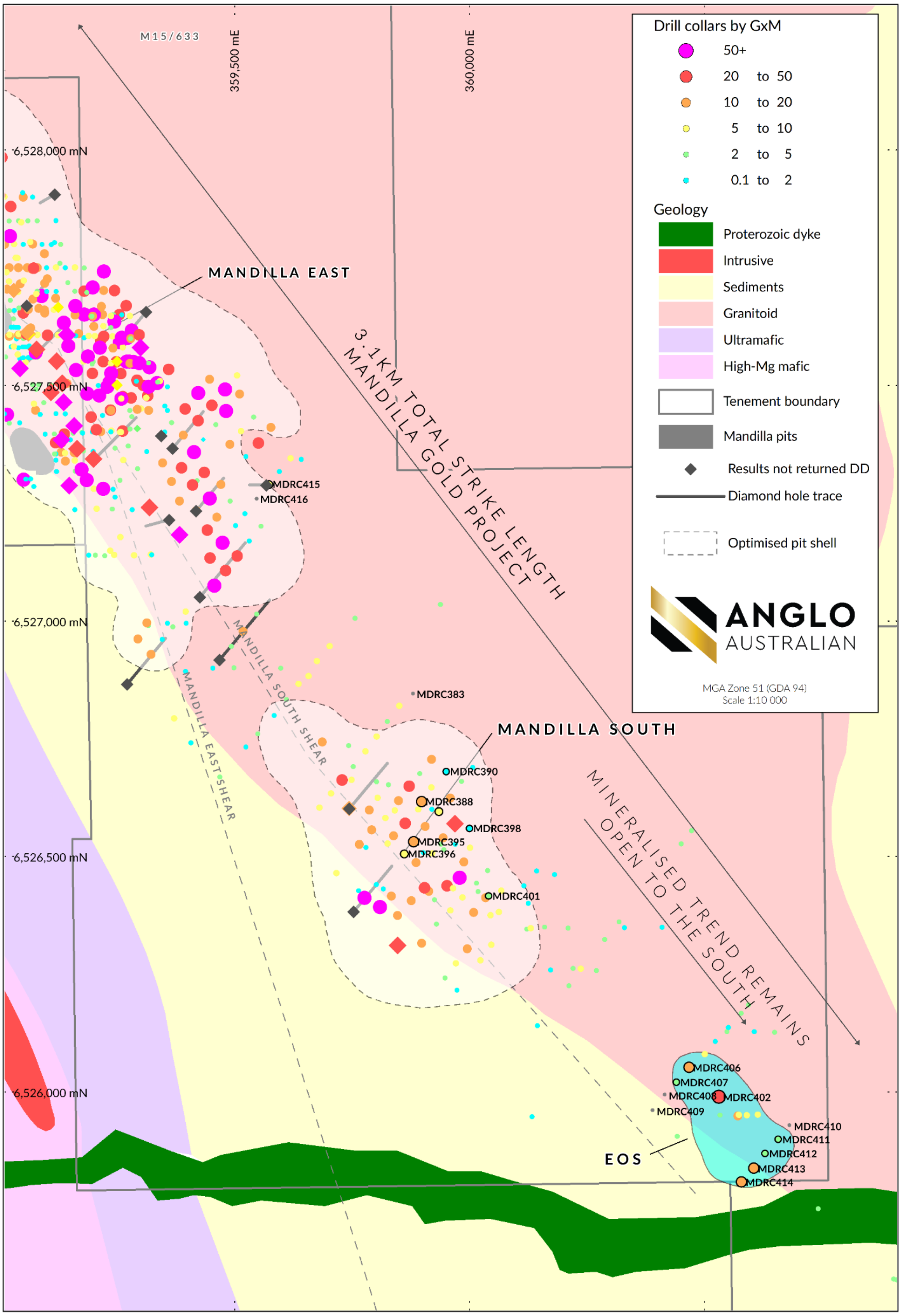

Figure 3 – Drill collar locations on local area geology for Mandilla

Metallurgical Testwork

On 28 January 2021, the Company announced the results of metallurgical testwork completed on samples collected from three diamond drill holes, MDRCD151, MDRCD228 and MDRCD 236.

These holes were selected as they covered the strike length of the zones of known mineralisation, as depicted in Figure 4 below.

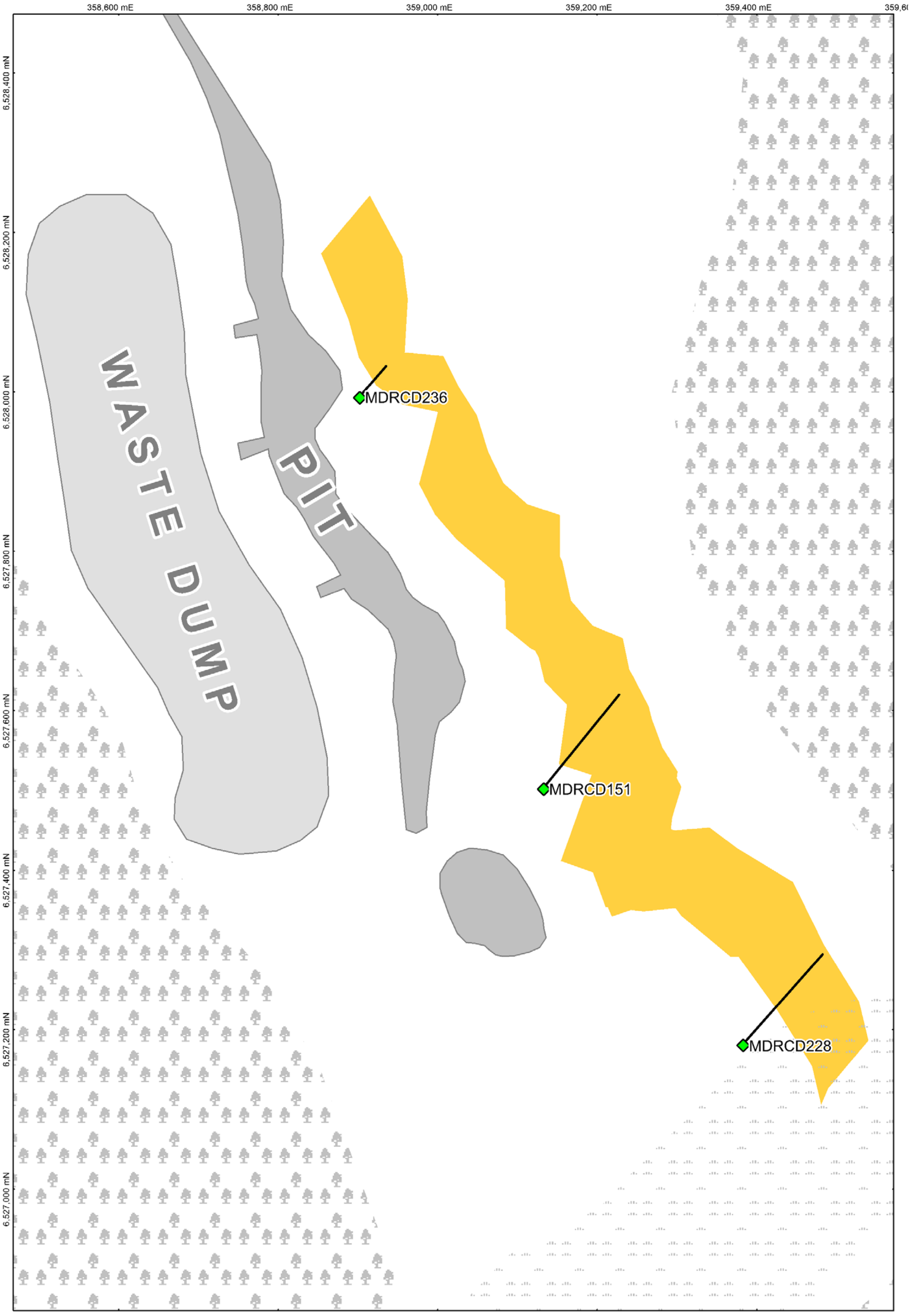

Figure 4 – Location of Mandilla East diamond drill holes for metallurgical testing

The metallurgical testwork results demonstrate extremely high gold recoveries, fast leach kinetics and low reagent consumptions in both the oxide and fresh rock samples tested. The results confirmed excellent metallurgical recoveries as tabled below:

In the oxide zone

Table 1 – Oxide composite metallurgical test results

Grind Size P80 (µm)	Au Calc Head Grade (g/t)	Au Extraction (%)						Au Tail Grade (g/t)	Reagents (kg/t)	
		Grav	2-hr	4-hr	8-hr	24-hr	48-hr		NaCN	Lime
75	0.92	68.8	94.4	96.9	96.9	96.9	98.4	0.02	0.32	0.32
106	0.96	71.1	95.5	96.3	97.0	97.0	98.4	0.02	0.21	0.21

In the fresh zone:

Table 2 – LG fresh variability composite metallurgical test results

Grind Size P80 (µm)	Au Calc Head Grade (g/t)	Au Extraction (%)						Au Tail Grade (g/t)	Reagents (kg/t)	
		Grav	2-hr	4-hr	8-hr	24-hr	48-hr		NaCN	Lime
75	0.60	80.7	94.6	94.6	95.8	95.8	95.8	0.03	0.25	0.14
106	0.75	66.3	91.5	94.5	95.5	95.5	97.3	0.02	0.23	0.23

Importantly, the results demonstrate that gold recoveries of over 95% can be achieved after only 8 hours of leaching with modest reagent consumption, albeit with testing conducted using Perth tap water. This should support a conventional process plant design with low reagent costs.

These preliminary results were followed by the main fresh composite sample and additional variability testing to confirm that the gold can be economically extracted (refer to ASX Announcement dated 17 February 2021). The detailed results of the main Mandilla East fresh composite and Mandilla East fresh variability composite No.2 are tabled below.

Table 3 – Fresh composite metallurgical test results

Grind Size P80 (µm)	Au Calc Head Grade (g/t)	Au Extraction (%)						Au Tail Grade (g/t)	Reagents (kg/t)	
		Grav	2-hr	4-hr	8-hr	24-hr	48-hr		NaCN	Lime
75	1.24	92.6	98.6	98.6	99.2	99.2	99.2	0.01	0.29	0.24
106	0.49	71.4	93.0	93.0	94.4	95.9	95.9	0.02	0.29	0.23

Table 4 –Fresh variability composite No 2 metallurgical test results

Grind Size P80 (µm)	Au Calc Head Grade (g/t)	Au Extraction (%)						Au Tail Grade (g/t)	Reagents (kg/t)	
		Grav	2-hr	4-hr	8-hr	24-hr	48-hr		NaCN	Lime
106	0.95	81.6	95.8	96.6	96.6	97.4	97.4	0.03	0.29	0.29

The results serve to reinforce the excellent metallurgical characteristics of Mandilla. The mineralisation continues to demonstrate an insensitivity to grind size, very high gravity recoverable gold content, exceptionally high overall gold recovery and low reagent consumption.

In addition, results from the viscosity determination and oxygen uptake testing have demonstrated a slurry rheology that is more than acceptable for mixing and screening applications. The oxygen uptake test demonstrated low oxygen consumption.

This further demonstrates the amenability of the Mandilla Gold Project to a conventional gravity and CIP processing pathway.

Mineral Resource Estimate

The Company announced a maiden JORC compliant (2012 Edition) MRE for Mandilla on 27 May 2021. The maiden MRE prepared in accordance with the JORC Code (2012 Edition), was prepared by independent consultants Cube Consulting. The maiden MRE incorporating the Mandilla East and Mandilla South deposits, reported **15.6Mt at 1.0 g/t Au for 500.4koz of contained gold.**

Following receipt of assay from a further 7,700m of drilling, the MRE was subsequently updated on 17 August 2021. The updated MRE reported a JORC 2012 Mineral Resource Estimate of **19.8Mt at 1.0 g/t Au for 664.6koz of contained gold**, encompassing the Mandilla East and Mandilla South deposits. This too was prepared by independent consultants Cube Consulting in accordance with the JORC Code (2012 Edition).

The significant increase in Mineral Resources was, in the most part, a result of the successful in-fill and extensional drilling extended the mineralisation at Mandilla by 150m to the south and by 250m to the south-east.

The MRE was estimated using a 0.39 g/t Au cut-off and is constrained within pit shells using a gold price of AUD$2,500 per ounce (consistent with the maiden MRE).

The MRE is summarised in Table 5 below, with a more detailed breakdown provided in Table 6. A grade and tonnage sensitivity is provided in Table 7.

Table 5 - Mandilla Mineral Resource Estimate (August 2021)

Mineral Resource Estimate for the Mandilla Gold Project (Cut-Off Grade >0.39g/t Au)			
Classification	**Tonnes (Mt)**	**Grade (g/t)**	**Ounces (koz)**
Indicated	9.4	1.1	324.1
Inferred	10.4	1.0	340.5
Total	**19.8**	**1.0**	**664.6**
The preceding statement of Mineral Resources conforms to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2012 Edition. All tonnages reported are dry metric tonnes. Minor discrepancies may occur due to rounding to appropriate significant figures.			

Table 6 – MRE (August 2021) Grade and Tonnage by Weathering State

Classification	Oxidation	Tonnes (Mt)	Grade (g/t)	Ounces (koz)
Indicated	Fresh	7.1	1.1	260.0
	Transitional	2.1	0.8	56.7
	Oxidised	0.1	0.8	3.7
	Total	**9.4**	**1.1**	**324.1**
Inferred	Fresh	7.9	1.1	280.0
	Transitional	2.3	0.8	57.4
	Oxidised	0.2	0.6	3.0
	Total	**10.4**	**1.0**	**340.5**
		19.8	**1.0**	**664.6**
All tonnages reported are dry metric tonnes. Minor discrepancies may occur due to rounding to appropriate significant figures.				

Table 7 – MRE (August 2021) Grade and tonnage by cut-off grade

Cut-off grade (g/t Au)	Tonnes (Mt)	Grade (g/t)	Ounces (koz)
0.30	23.4	0.9	704.6
0.35	21.5	1.0	684.3
0.39	**19.8**	**1.0**	**664.6**
0.40	19.6	1.0	661.6
0.45	17.8	1.1	637.4
0.50	16.3	1.2	613.9
All tonnages reported are dry metric tonnes. Minor discrepancies may occur due to rounding to appropriate significant figures.			

The locations of the optimised pit shells at AUD$2,500 per ounce gold price are set out in plan view in Figure 5 below, along with the drill collar locations defined by reported gram x metre intervals.

The cross-sections referenced in this announcement are also annotated on this plan.

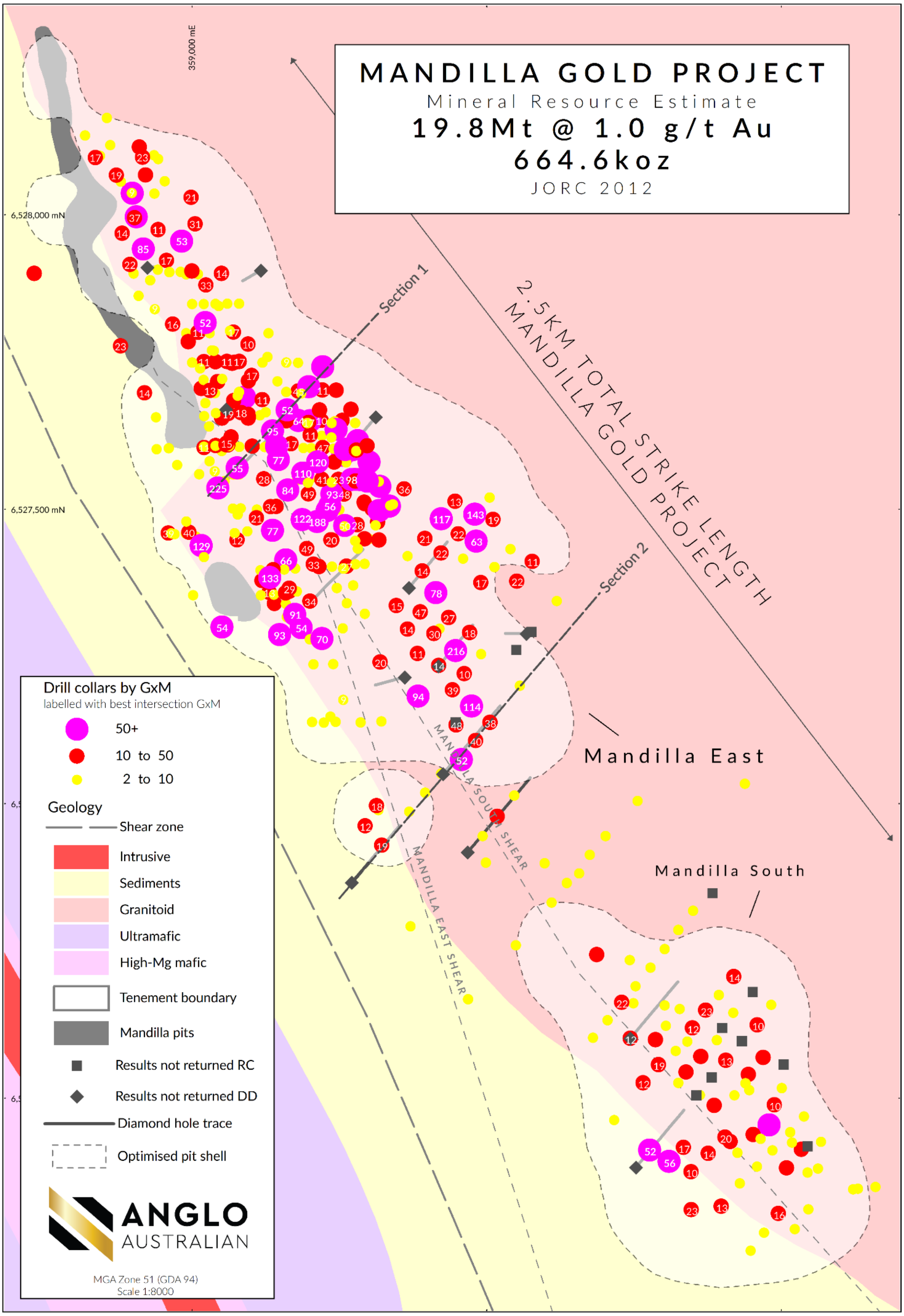

Figure 5 – Optimised pit shell on local area geology

Section 1, as illustrated in Figure 6 below, shows the Mineral Resource within the optimised pit shell on a section within the Mandilla East Main Zone. This includes hole MDRCD377, released to the ASX on 29 July 2021, which returned **64.57m at 3.49g/t Au** from 190m, **14.39m at 2.89g/t Au** from 169.37m and **13.8m at 0.91g/t Au** from 139.7m.

MDRCD377 returned significant zones of mineralisation at depth, which notably included laminated gold enriched veining which is similar to, and potentially represents a deeper zone of increased enrichment currently thought to be associated with previously-reported holes MDRCD230 (81.45m at 1.63g/t Au from 179.6m) and MDRCD191 (76.5m at 1.21g/t Au from 296m), located 170m and 260m to the south respectively.

The mineralisation in MDRCD377 and the steepening inter-ramp angles (up to 58º) in the fresh rock contributed to an increase in the MRE on this section as compared to the maiden MRE.

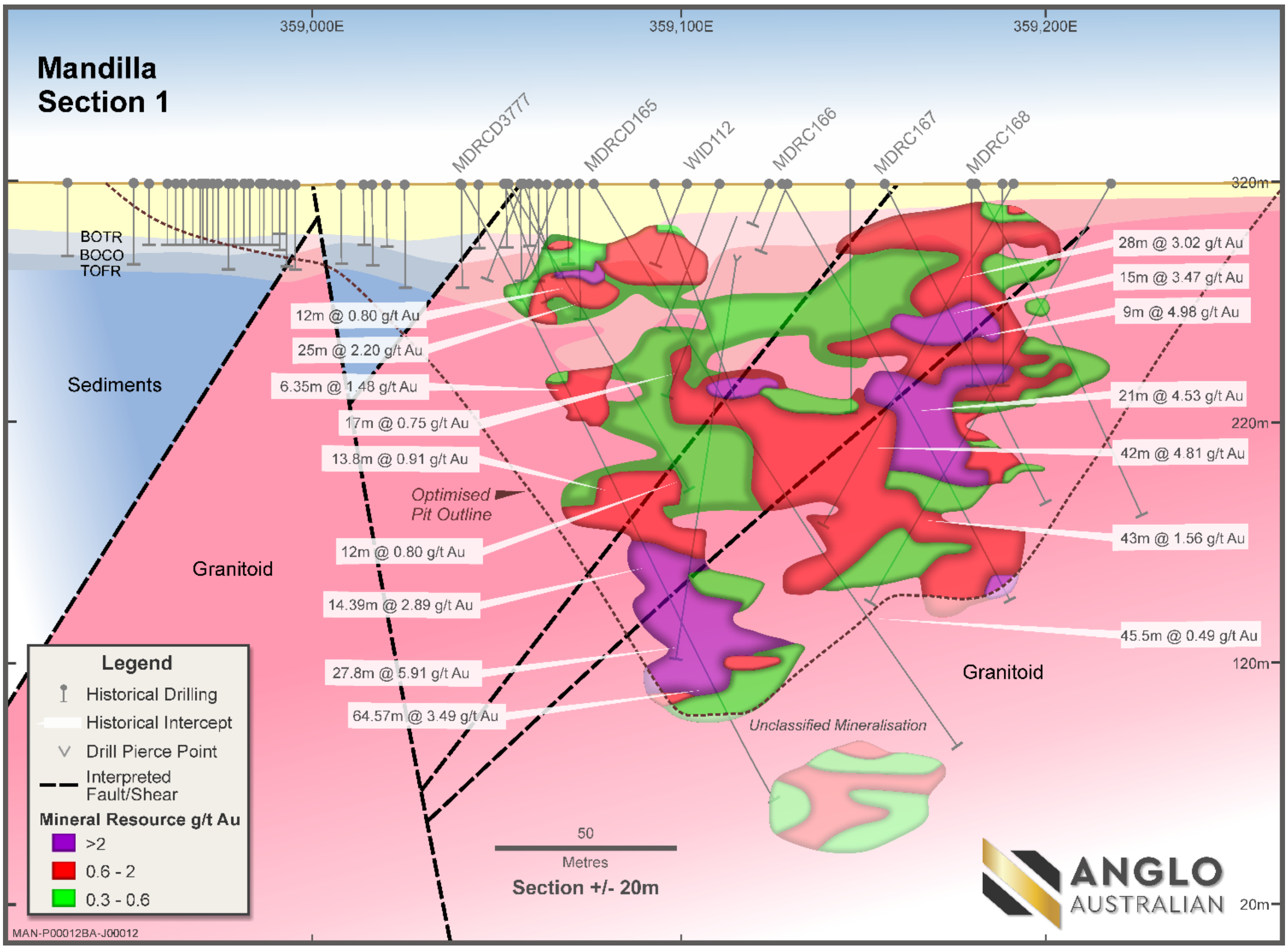

Figure 6 – Mandilla East cross-section (refer Figure 5 for section location)

Mandilla Section 2, as illustrated in Figure 7 below, shows the mineralisation at the currently defined southern limit of high-grade mineralisation at Mandilla East.

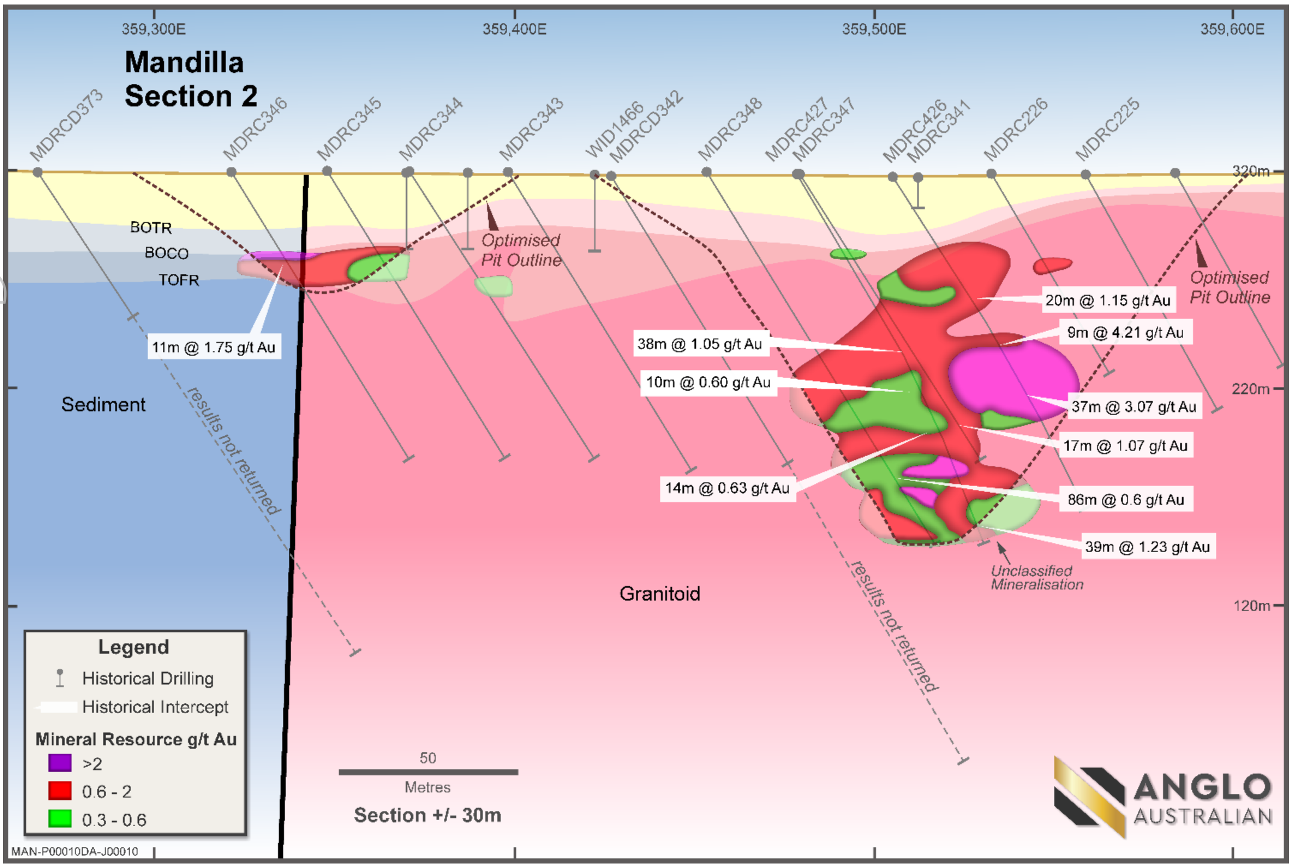

Figure 7 – Mandilla East cross-section (refer Figure 5 for section location)

It is important to note that the Mandilla East Main Zone remains open in a number of directions, including to the north-west of MDRCD377 beneath the previously developed Mandilla West paleochannels located close to the sediment contact.

A summary of information material to the understanding of the MRE was provided in the ASX Announcement dated 17 August 2021, in compliance with the requirements of ASX Listing Rule 5.8.1.

Royalties

On 31 August 2020, the Company announced that it had reached agreement with the respective owners to eliminate all third-party royalties[1] held over Mandilla.

One of the tenements which comprises the Mandilla Gold Project, M15/633, has historically been the subject of two third-party royalties. These third-party royalties are legacy royalties that provided for the following:

- Royalty # 1: $1 per tonne of gold ore mined and treated; and
- Royalty # 2: Comprising:
  - 4% NSR (net smelter royalty) on gold production in excess of 100,000oz; and
  - A price participation royalty of 10% of every dollar the gold price exceeds A$600 for every ounce produced.

The consideration provided to eliminate both third-party royalties is as follows:

- Royalty # 1: Issue of 1,142,588 ordinary AAR shares at a deemed issue price of $0.175 per share (nominal value of AUD$200,000) (issued on 6 August 2020); and
- Royalty # 2: Payment of cash consideration of US$400,000.

1 With the exception of the Western Australian Government gold royalty of 2.5% NSR.

Current and Forward Plan

AAR has embarked on a new 55,000m drilling program across the Mandilla and Feysville projects. A RC drill rig commenced drilling at Mandilla during mid-August. Diamond drilling is expected to commence this September Quarter and an air-core drill rig is planned to commence during the December Quarter.

Image 5 – RC drill rig at the MGP, recommenced drilling 11 August 2021.

The planned Phase 1 drilling at Mandilla is illustrated in Figure 8 below.

As the current phase of drilling at Mandilla is completed, the rigs are expected to relocate to Feysville.

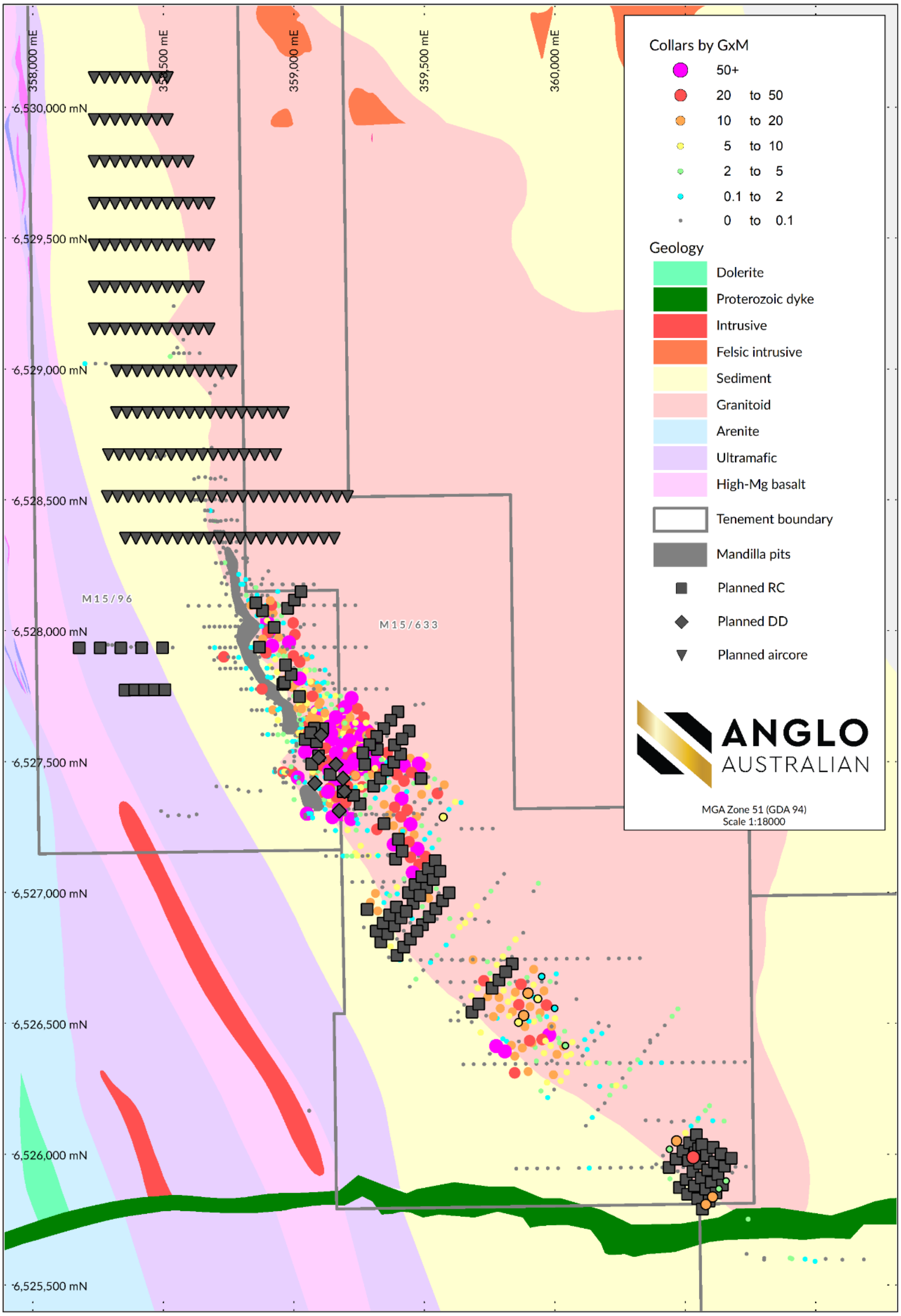

Figure 8 – Phase 1 planned drill collar locations on the local area geology of Mandilla

Feysville Gold Project – WA

Anglo Australian - 100% interest

Feysville is located within the Archean Kambalda Domain in the Norseman-Wiluna belt of the Eastern Goldfields Province. Significant gold mineralisation occurs within the belt, including the 70Moz Golden Mile deposit 14km to the north and the St Ives goldfield to the south.

Feysville is interpreted to contain upthrust ultramafics, emplaced within a sequence of volcanic sediments, the Black Flag sediment group, granitic intrusions, mafic basalts, gabbro and andesite as shown in Figure 10. Large major faulting occurs predominately north-west, with later cross-cutting faulting in a north-east orientation.

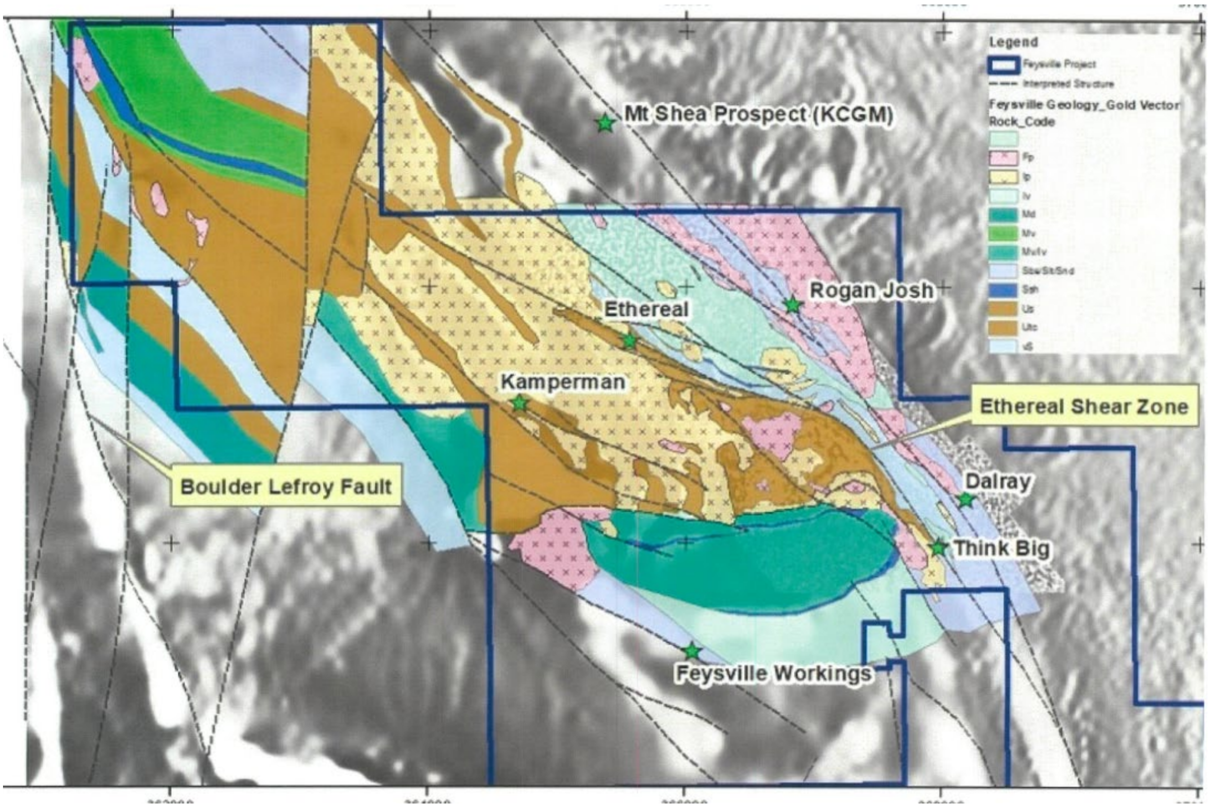

Figure 9 - Feysville tenements relative to KCGM's Mt Shea prospect

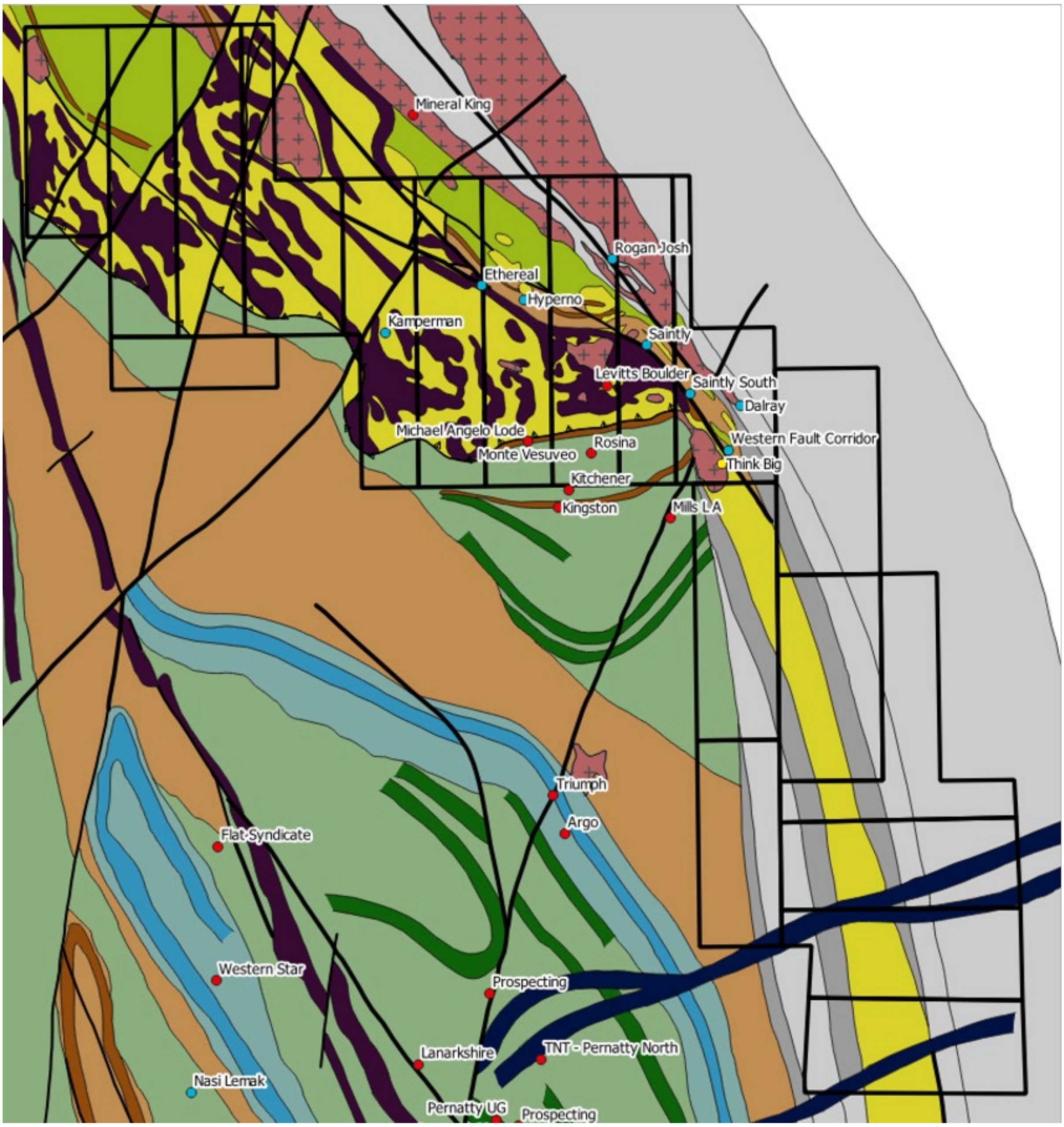

Figure 10 – Feysville local area geology

A maiden JORC Mineral Resource Estimate for Feysville was announced on 8 April 2019. The Mineral Resource Estimate, separately identifying Indicated and Inferred Resources for cut-off grades of 0.5, 0.8 and 1.0 g/t Au, is set out in Table 8.

Category	Cut-off Grade	Tonnage	Grade	Ounces Au
Indicated	**0.5 g/t Au cut-off**	**2,285,000**	**1.3**	**95,900**
	0.8 g/t Au cut-off	1,541,000	1.6	80,700
	1.0g/t Au cut-off	1,214,000	1.8	71,400
Inferred	**0.5 g/t Au cut-off**	**572,000**	**1.1**	**20,200**
	0.8 g/t Au cut-off	416,000	1.3	17,000
	1.0g/t Au cut-off	299,000	1.4	13,600
TOTAL	**0.5 g/t Au cut-off**	**2,857,000**	**1.3**	**116,100**
	0.8 g/t Au cut-off	1,957,000	1.6	97,700
	1.0g/t Au cut-off	1,513,000	1.7	85,000

Table 8: Think Big Global Mineral Resource Estimate.

The Mineral Resource Estimate for the supergene enriched gold mineralisation (which is included within the Global estimate in Table 8) is set out in Table 9.

Category	Cut-off Grade	Tonnage	Grade	Ounces Au
Indicated	**0.5 g/t Au cut-off**	**279,000**	**2.2**	**20,100**
	0.8 g/t Au cut-off	250,000	2.4	19,500
	1.0 g/t Au cut-off	209,000	2.7	13,300
	3.0 g/t Au cut-off	54,600	5.5	9,800

Table 9: Think Big Supergene Enriched Gold Mineral Resource Estimate (included in Global estimate in Table 8).

Current and Forward Plan

A 29,000m drilling program is planned for Feysville for the current year. Upon receipt of the necessary approvals drilling will commence at Feysville. It is expected that initial exploration will commence with diamond drilling at Think Big to improve the structural understanding of this target. Following this, both aircore and RC drilling will commence focusing on the higher priority targets in the first instance.

Internal resourcing is being increased to allow exploration activities at Feysville to be progressed simultaneously with activities at Mandilla.

Koongie Park Gold and Base Metals Project - WA

Joint Venture with AuKing Mining Limited (25% participating interest)

Summary

Koongie Park is situated in north-eastern Western Australia in the highly mineralised Halls Creek region. The Koongie Park project comprises 10 tenements (two mining leases and eight exploration licences) representing an area of over 500km^2. In February 2021, the Company entered into an earn-in and joint venture agreement (**JVA**) with AuKing Mining Limited (**AKN**) having the opportunity to earn up to a 75% interest in the Koongie Park Joint Venture (**Joint Venture**) by funding exploration and project development studies (as stipulated below).

- AKN may earn a further 25% interest in the Joint Venture by incurring expenditure of $1.5 million over an initial period of twenty-four (24) months, including expenditure on exploration, testwork and related analysis to establish a commercially viable processing solution for the Koongie Park oxide ores (**First Earn-In Milestone**).
- At AKN's election, AKN can earn a further 25% interest in the Joint Venture by incurring additional expenditure of $1,500,000 over a subsequent twelve (12) month period, including expenditure on exploration activities and feasibility studies with a view to establishing mining operations on the Onedin and Sandiego deposits on the Tenements (**Second Earn-In Milestone**).

This expenditure is in addition to the $1m already paid by AKN to the Company during the financial year to secure an initial 25% interest in the JV. The JVA commenced on 15 June 2021, following AKN paying the remaining $900,000 to AAR and AKN being re-quoted on the ASX.

The Company retains the right to explore for and develop gold and other precious metals deposits within Koongie Park project area.

Koongie Park has existing JORC 2012 resources of **6.8Mt at 1.3% Cu, 4.1% Zn, 0.3g/t Au and 26g/t Ag**, as outlined in the CSA Global Independent Technical Report included in the AKN prospectus dated 9 March 2021.

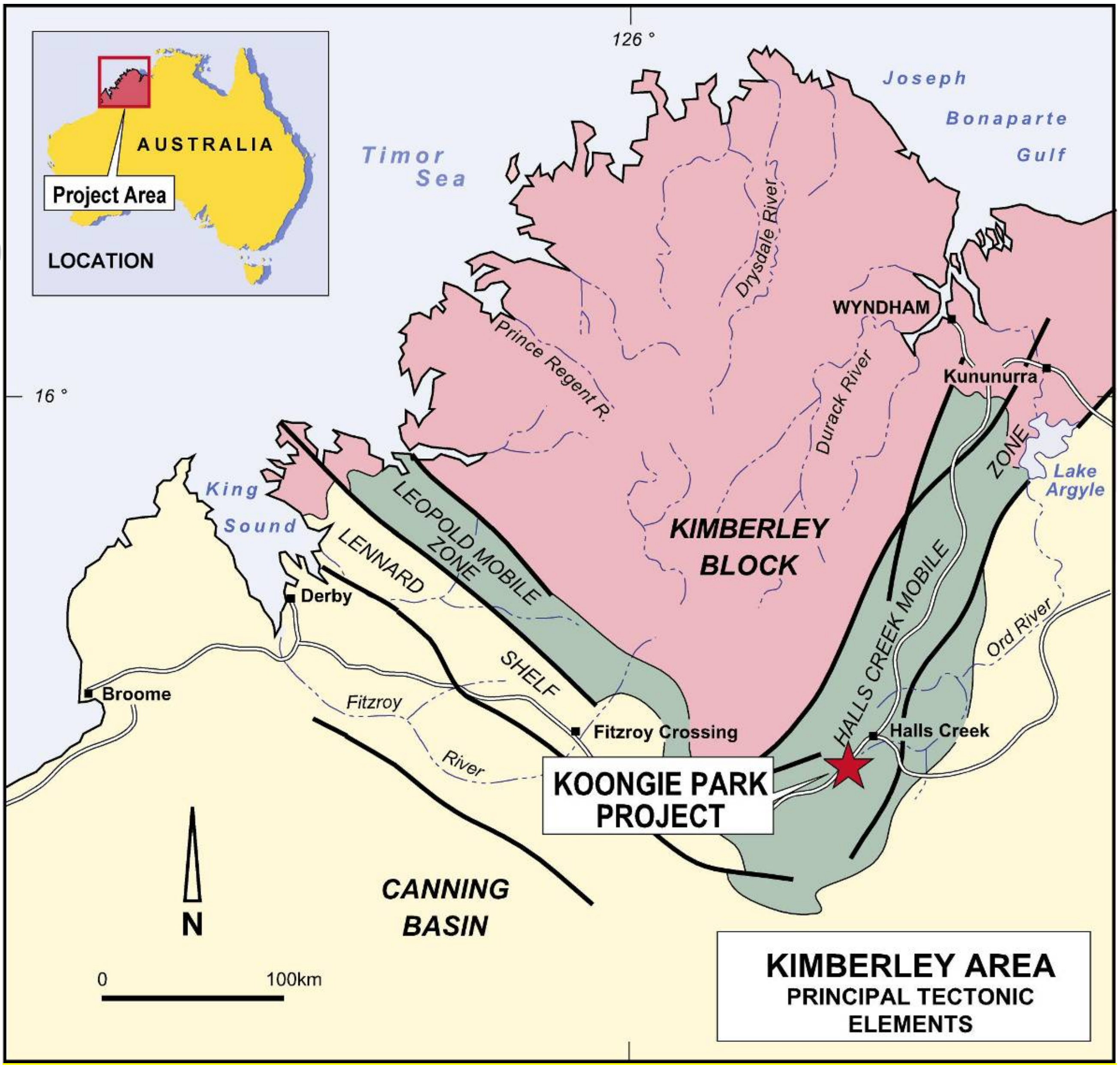

Figure 11 – Koongie Park, Location Map.

The information relating to the Mineral Resources at the Koongie Park copper/zinc project is extracted from the Independent Technical Report of CSA Global (the CSA Global Report), which is included in AKN's Prospectus dated 9 March 2021 and which was lodged with ASX on 10 March 2021 (Report). The Report is available to view on the AKN website www.aukingmining.com.

In the CSA Global Report, a full combined Mineral Resource Estimate for Koongie Park is included in Table 10 below.

Koongie Park	Zone	Cut-off Grade	Classification	Tonnes (Mt)	Copper (%)	Zinc (%)	Gold (g/t)	Silver (g/t)
Onedin + Sandiego	Supergene	Cu >0.8%	Indicated	0.9	2.5	1.7	0.3	39
			Inferred	0.0	1.0	0.1	0.1	3
	Transitional and Primary	Cu >0.8%	Indicated	1.9	2.3	1.3	0.4	21
			Inferred	0.4	1.8	2.0	0.3	5
	Zn Dominant Primary	Zn >3%	Indicated	3.2	0.4	6.6	0.2	30
			Inferred	0.4	0.1	6.2	0.1	9
	All zones	Various	Indicated	6.0	1.3	4.2	0.3	28
			Inferred	0.8	1.0	3.8	0.2	7
	TOTAL	**Various**	**Total**	**6.8**	**1.3**	**4.1**	**0.3**	**26**

Table 10 – Koongie Park combined Mineral Resource Estimate

Carnilya Hill Gold Project – WA

Anglo Australian – 100% of gold rights

Carnilya Hill is located approximately 20 kilometres east-south-east of the Company's Feysville Project and approximately 40 kilometres south-east of Kalgoorlie, Western Australia.

The Project encompasses four tenements – M26/047-049 and M26/453, representing an aggregate area of approximately 2.65 square kilometres – with rights to nickel and other minerals held by Mincor Resources NL (ASX: MCR).

A prospect named Hang Glider Hill has been outlined by Lefroy Exploration Limited (ASX: LEX) immediately north of the Carnilya Hill tenements. The prospect comprises a surface gold geochemical anomaly where a number of gold nuggets have been recovered.

Schedule of Mining Tenements

The Company reports the following interests in mining tenements in Western Australia in accordance with ASX Listing Rule 5.20.

Project *(Location)*	Tenement Number	Beneficial Percentage Interest	Status	Title Registered to
Mandilla *(Western Australia)*	M15/96 M15/633 E15/1404	100% gold rights only 100% gold rights only 100%	Granted	Apollo Phoenix Resources Pty Ltd Anglo Australian Resources NL Anglo Australian Resources NL
Feysville *(Western Australia)*	P26/3943-3944 P26/3948-3951 P26/4051-4052	100%	Granted	Feysville Gold Pty Ltd
	M26/846 L26/295 P26/4390	-	Pending	Feysville Gold Pty Ltd
Koongie Park *(Western Australia)*	M80/276, 277 E80/4389,4766, 4957, 4960 E80/5076, 5087, E80/5127 E80/5263 P80/1802,1803	100%	Granted	Anglo Australian Resources NL
Carnilya Hill *(Western Australia)*	M26/47 - 49 M26/453	100% gold rights only	Granted	Mincor Resources NL
Leonora *(Western Australia)*	E37/1287 E7/1355	100%	Granted	Anglo Australian Resources NL

Compliance Statement

The information in this Report that relates to Estimation and Reporting of Mineral Resources is based on information compiled by Mr Michael Job, who is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM). Mr Job is an independent consultant employed by Cube Consulting. Mr Job has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Job consents to the inclusion in this Report of the matters based on the information in the form and context in which it appears.

The information in this Report that relates to exploration targets and exploration results is based on, and fairly represents, information and supporting documentation compiled by Ms Julie Reid, who is a full-time employee of Anglo Australian Resources NL. Ms Reid is a Competent Person and a Member of The Australasian Institute of Mining and Metallurgy. Ms Reid has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ms Reid consents to the inclusion in this Report of the material based on this information, in the form and context in which it appears.

The information in this Report that relates to metallurgical test work for the Mandilla Gold Project is based on, and fairly represents, information and supporting documentation compiled by Mr Marc Ducler, who is a full-time employee of Anglo Australian Resources NL. Mr Ducler is a Competent Person and a Member of The Australasian Institute of Mining and Metallurgy. The information that relates to processing and metallurgy is based on work conducted by ALS Metallurgy Pty Ltd (ALS Metallurgy) on diamond drilling samples collected under the direction of Mr Ducler and fairly represents the information compiled by him from the completed ALS Metallurgy testwork. Mr Ducler has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Ducler consents to the inclusion in this Report of the material based on this information, in the form and context in which it appears.

The information in this Report that relates to Mineral Resources for the Feysville Gold Project was first reported in accordance with JORC 2012 on 8 Apr 2019. The Company confirms that it is not in possession of any new information or data relating to these historical Mineral Resource estimates that materially impacts on the accuracy or reliability of these historical estimates. The Company also confirms that all material assumptions and technical parameters underpinning the Resource estimate continue to apply and have not materially changed.

Directors' Report

Your Directors present the following report on Anglo Australian Resources NL and its controlled entities (referred to as the Group) for the year ended 30 June 2021.

Directors

The names of the Directors in office during the financial year and until the date of this report are as follows.

Name	Role	Date of Appointment / Resignation
Leigh Warnick	Non-Executive Chair	Appointed 23 December 2019
Marc Ducler	Managing Director	Appointed 23 December 2019
John Jones	Non-Executive Director	Appointed 9 February 1990
Peter Stern	Non-Executive Director	Appointed 28 November 2011
David Varcoe	Non-Executive Director	Appointed 28 November 2019

Principal Activities

During the financial year, the principal activities of the Group consisted of progressing the Company's 100% owned Mandilla Gold Project and evaluating its portfolio of tenements and projects in order to identify opportunities to maximise value for shareholders.

There were no significant changes in the nature of the activities of the Group during the year.

Dividends

There were no dividends paid or proposed during the year.

The Consolidated Statement of Profit or Loss and other Comprehensive Income shows a net loss from continuing operations attributable to owners of $3,669,567 for the financial year ended 30 June 2021 (2020: loss of $2,710,042).

Significant changes in the state of affairs

During the year, a total of 122,222,222 fully paid ordinary shares were issued, raising a total of $13.7 million (before costs), comprising:

- On 6 August 2020, 1,142,858 fully paid ordinary shares were issued, pursuant to an agreement to eliminate Royalty # 1, with shares issued at a deemed issue price of $0.20 per share.
- On 25 September 2020, 64,705,882 fully paid ordinary shares were issued at $0.17, pursuant to a placement to sophisticated and professional investors to raise $11 million (before costs).
- On 23 October 2020, 5,023,482 fully paid ordinary shares were issued at $0.17 per share to raise $854,000 (before costs), pursuant to a Share Purchase Plan announced on 18 September 2020.
- 29,800,000 fully paid ordinary shares were issued, raising a total of $596,000, pursuant to the exercise of 29,800,000 unlisted options at $0.02, expiring 30 November 2020.
- 10,100,000 fully paid ordinary shares were issued, raising a total of $252,500, pursuant to the exercise of 10,100,000 unlisted options at $0.025, expiring 30 November 2020.
- 2,500,000 fully paid ordinary shares were issued, raising a total of $100,000, pursuant to the exercise of 2,500,000 unlisted options at $0.04, expiring 30 November 2020.
- 8,950,000 fully paid ordinary shares were issued, raising a total of $716,000, pursuant to the exercise of 8,950,000 unlisted options at $0.08, expiring 30 November 2020.

The following additional securities were issued during the year:

- On 15 July 2020, 2,382,216 Long Term Incentive (**LTI**) unquoted performance rights were issued to a nominee of the Managing Director. The LTI performance rights were issued under the Company's Employee Incentive Plan and were approved by shareholders at the General Meeting held 16 June 2020.
- On 6 August 2020, 1,250,000 unquoted options were issued as settlement of a third-party agreement. The options are exercisable at $0.133 and expire on 31 December 2021.
- On 6 August 2020, 1,250,000 unquoted options were issued as settlement of a third-party agreement. The options are exercisable at $0.15 and expire on 31 December 2022.
- On 12 October 2020, 5,760,517 LTI unquoted performance rights were issued to eligible employees. The LTI performance rights were issued under the Company's Employee Incentive Plan.
- On 12 October 2020, 2,000,000 unquoted options were issued to a key consultant of the Company under the Company's Employee Incentive Plan. The options are exercisable at $0.213 and expire on 7 October 2022.

- On 2 June 2021, 1,194,062 LTI unquoted performance rights were issued to eligible employees under the Company's Employee Incentive Plan.
- On 2 June 2021, 6,000,000 unquoted options were issued as settlement of third-party agreements. The options are exercisable at $0.34 and expire on 31 December 2022.

Other than stated above, there were no significant changes in the state of affairs of the Group during the year.

Matters subsequent to the end of the period

Date	Details
26-August-2021	Announcement of updated Mineral Resource Estimate, an increase of 33% to 665,000oz of contained gold.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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

Likely developments and expected results of operations

The Group will continue its mineral exploration and development activities at Mandilla and Feysville and will continue to evaluate opportunities to extract value from its other projects.

Environmental regulation

The Group operates within the resources sector and conducts its business activities with respect for the environment while continuing to meet the expectations of the shareholders, employees and suppliers. The Company's exploration activities are currently subject to significant environmental regulation under laws of the Commonwealth and Western Australia. The Group aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation.

As at the date of this report, the Group is not aware of any significant breaches of those environmental requirements.

Information on directors

Leigh Warnick	Non-Executive Chairman, Independent
Qualifications	B.A, LL.B, LL.M.
Appointed	23 December 2019
Experience	Mr Warnick is an experienced corporate and mining lawyer and a recognised expert in corporate governance. Mr Warnick was formerly a partner of the law firms now known as King & Wood Mallesons and Ashurst. Mr Warnick now practises as a barrister in Perth. Mr Warnick has 20 years' experience as a director or chairman of ASX listed companies.
Interest in Shares and Options	Nil.
Current directorships	Nil.
Former directorships held in past three years	Nil.
Marc Ducler	Managing Director
Qualifications	BSC (Metallurgy) WASM
Appointed	23 December 2019
Experience	Mr Ducler has over 21 years' experience in the mining industry. For the past 18 years, Mr Ducler has been in senior operational management roles with GoldFields, BHP, Fortescue Metals, Mineral Resources and Roy Hill. Mr Ducler's most recent role was as Managing Director of Egan Street Resources Limited (a gold exploration and near-term developer), until its successful takeover by Silver Lake Resources Limited (ASX: SLR).
Interest in Shares and Options	Shares – 4,893,680 Performance Rights (Incentive) – 1,830,780 Performance Rights (Long Term Incentive) – 2,382,216
Current directorships	Nil.
Former directorships held in past three years	Egan Street Resources Limited (ASX: EGA) – Managing Director

Information on directors (continued)

John Jones AM	Non-Executive Director
Appointed	9 February 1990
Experience	Mr Jones is a well-known and respected mining identity, who has been associated with a number of successful mining corporations in his 46 years of business. Mr Jones has previously been Chairman of North Kalgurli Mines, Jones Mining and Troy Resources Limited. He is currently a director of Altan Rio Minerals Limited (TSXV: AMO.H) and Altan Nevada Minerals Limited (TSXV: ANE). Mr Jones has a strong prospecting instinct, clear strategic vision and a desire for exploration, mining and corporate success. He has been a director of the Company since 1990.
Interest in Shares and Options	Shares – 68,632,177
Current directorships	Altan Rio Minerals Limited (TSXV:AMO) – Chairman Altan Nevada Minerals Limited (TSXV:ANE) - Chairman
Former directorships held in past three years	Tanga Resources Limited Troy Resources Limited

Peter Stern	Non-Executive Director, Independent
Qualifications	BSc (Hons), FAICD
Appointed	28 November 2011
Experience	Mr Stern is a graduate of Monash University with a Bachelor of Science (geology major). Mr Stern's career has been in corporate advisory, spending six years with Macquarie Bank and three years with both UBS and Deutsche Bank. In 2000, Mr Stern established Metropolis Pty Ltd, a corporate advisory firm specialising in mergers and acquisitions, capital raisings and proxy contests. Mr Stern is a Fellow of the Australian Institute of Company Directors. Mr Stern is Non-Executive Chairman of Troy Resources Limited.
Interest in Shares and Options	Shares – 22,206,252
Current directorships	Troy Resources Limited - Chairman (Non-Executive)
Former directorships held in past three years	Entek Energy Limited (ASX: ETE) – Non-executive director Altan Nevada Minerals Limited (TSXV:ANE) – Non-executive director

Information on directors (continued)

David Varcoe	Non-Executive Director, Independent
Qualifications	B.Eng (Mining)
Appointed	28 November 2019
Experience	Mr Varcoe is a mining engineer with more than 31 years' experience in the industry. Mr Varcoe has extensive operational and managerial experience across a number of commodities including gold, iron ore, copper, diamonds, coal, uranium and rare earths. Mr Varcoe is experienced in board positions and operations management as well as project management and consulting. Mr Varcoe is a principal consultant with leading Australian firm AMC Consulting.
Interest in Shares and Options	Shares – 200,000 Options - $0.135 expiring 27-Nov-22 – 3,000,000
Current directorships	Nil.
Former directorships held in past three years	Nil.

Directors' meetings

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the period are:

Director	Number of meetings director eligible to attend	Number of meetings director attended
Mr Leigh Warnick	6	5
Mr Marc Ducler	6	6
Mr John Jones	6	6
Mr Peter Stern	6	6
Mr David Varcoe	6	6

Company secretary

Brendon Morton was appointed as Company Secretary and Chief Financial Officer on 13 January 2020. Mr Morton holds a Bachelor of Business Degree and is a member of both the Institute of Chartered Accountants Australia (ICAA) and the Governance Institute of Australia (GIA). Mr Morton has previously held Company Secretarial and Chief Financial Officer roles with both ASX listed and unlisted public and private companies.

Financial position

The net assets of the consolidated Group have increased to $22,718,499 (2020: $11,489,614). The Group's working capital, being current assets less current liabilities was $9,307,102 at 30 June 2021 (2020: 3,182,711).

Unissued shares under option

Unissued ordinary shares of Anglo Australian Resources NL under option at the date of this report are as follows:

Tranche	Grant date	Expiry date	Exercise price	Number
E	2-Dec-19	27-Nov-22	$0.135	1,000,000
F	2-Dec-19	27-Nov-22	$0.135	1,000,000
G	2-Dec-19	27-Nov-22	$0.135	1,000,000
H	18-Mar-20	31-Dec-21	$0.133	1,250,000
I	18-Mar-20	31-Dec-22	$0.15	1,250,000
J	9-Oct-20	9-Oct-22	$0.213	2,000,000
K	25-Sep-20	31-Dec-22	$0.34	6,000,000
Total unlisted options on issue at the date of this report				**13,500,000**

Securities granted during the year

Options over ordinary shares granted during the year as share based payments are as follows:

Tranche	Class of securities	Grant date	Number of securities	Exercise price	Expiry date	Vesting date
J	Consultant Options	9-Oct-20	2,000,000	$0.213	9-Oct-22	Immediate[1]
K	Advisor Options	25-Sep-20	6,000,000	$0.34	31-Dec-22	Immediate

[1] *- requires the eligible employee to continue service with the Company from Grant Date.*

Performance rights granted during the year as share based payments are as follows:

Tranche	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Disposal Restriction
E	Director performance rights (2020C LTI)	15-Jul-20	2,382,216	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	30-Jun-22	Non-transferable
F	Employee / consultant performance rights (2020D LTI)	6-Oct-20	5,760,517	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	30-Jun-22	Non-transferable
G	Employee / consultant performance rights (2020D LTI)	31-May-21	1,194,062	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	30-Jun-22	Non-transferable

Refer to Note 22 for details of these performance rights.

Insurance of Officers

During the year, Anglo Australian Resources NL paid a premium to insure the directors and officers of the Group. The contract of insurance prohibits disclosure of the nature of the liability insured and the amount of the premium.

Proceedings on behalf of the group

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of any company in the Group, or to intervene in any proceedings to which any company in the Group is a party.

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

The Group may decide to employ its auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group is important.

During the year there were no fees paid or payable for non-audit services provided by either auditor of the Group (2020: nil).

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 page following this Directors' Report.

Remuneration Report - Audited

The remuneration report outlines the remuneration arrangements which were in place during the year and remain in place as at the date of this report, for the Directors and key management personnel of Anglo Australian Resources NL.

The information provided in this remuneration has been audited as required by section 308(3C) of the *Corporations Act 2001*.

The remuneration report is set out under the following main headings:

(a) Key management personnel (KMP) covered in this report
(b) Remuneration policy and link to performance
(c) Elements of remuneration
(d) Link between remuneration and performance
(e) Contractual arrangements for executive KMP
(f) Non-executive director arrangements
(g) KMP remuneration
(h) Other statutory information

(a) Key management personnel (KMP) covered in this report

Figure 12: Directors (executive and non-executive)

Name	Position
Mr Leigh Warnick	Chairman (from 23 December 2019)
Mr Marc Ducler	Managing Director (from 23 December 2019)
Mr John Jones	Executive Chairman (1 July 2019 to 22 December 2019) Non-Executive Director (from 23 December 2019)
Mr Peter Stern	Non-Executive Director
Mr David Varcoe	Non-Executive Director (from 28 November 2019)
Mr Graeme Smith	Non-Executive Director (to 23 December 2019)
Mr Andrew Barclay	Non-Executive Director (13 December 2019 to 23 December 2019)
Mr Matthew Hardisty	Non-Executive Director (13 December 2019 to 23 December 2019)
Mr David Sanders	Non-Executive Director (27 November 2019 to 28 November 2019)

Figure 13: Other key management personnel

Name	Position
Jed Whitford	General Manager Projects & Business Development (from 13 January 2020)
Brendon Morton	Chief Financial Officer & Company Secretary (from 24 December 2019)
Julie Reid	Geology Manager (from 2 January 2020)

(b) Remuneration policy and link to performance

The objective of the Company's remuneration structure is to reward and incentivise key management personnel and employees to ensure alignment with the interests of shareholders. The remuneration structure also seeks to reward key management personnel and employees for their contribution to the Company in a manner that is appropriate for a company at this stage of its development.

The full Board performs the function of the remuneration committee. The Board reviews and determines remuneration policy and structure annually to ensure it remains aligned to the Company's needs and meets the Company's remuneration principles. The Board, from time to time, may engage external remuneration consultants to assist with his review.

(c) Elements of remuneration

Fixed annual remuneration

Key management personnel receive their base pay and statutory benefits structured as a total fixed remuneration (TFR) package. Base pay for key management is reviewed annually to ensure the remuneration is competitive with the market and remains appropriate for the Company and its operations.

There are no guaranteed base pay increases included in any employment contracts.

Remuneration Report - Audited

Short term incentives

Any payment of short-term incentives is at the Board's absolute discretion. Due to the nature of the Company's operations and the stage of development, the Company has not paid any short-term incentives, nor has any formal short-term incentive scheme been adopted.

Long term incentives

Options

Options are issued at the Board's discretion. Other than the options disclosed in section (g) of this Remuneration Report, there were no other options issued to employees during the year. The options issued are recognised as an expense over the vesting period.

Performance Rights

During the year, the Company issued incentive Performance Rights to key management personnel and employees. The performance rights have nil exercise prices and have an expiry date of 30 June 2022. The Performance Rights will convert to ordinary shares on satisfaction of performance criteria/vesting conditions as detailed in Note 22 to the Consolidated Financial Statements.

(d) Link between remuneration and performance

Remuneration of executives consists of an un-risked element (base pay) and long-term incentives (performance rights) which vest upon the satisfaction of performance criteria, based on key strategic, non-financial measures linked to drivers of performance in future reporting periods. The Company did not pay any short-term incentives (e.g. cash bonuses) during the year (2020: nil).

The Group's summary key performance information, including earnings and movement in shareholder wealth for the five (5) years to 30 June 2021 is included at Figure 14 below:

Figure 14: Key performance indicators

	30 June 2021	30 June 2020	30 June 2019	30 June 2018	30 June 2017
Revenue	82,159	66,178	6,309	5,491	15,431
Net profit/(loss) before tax	(3,437,159)	(2,710,042)	(656,006)	(920,462)	(517,148)
Net profit/(loss) after tax	(3,437,159)	(2,710,042)	(656,006)	(920,462)	(517,148)
Share price at start of year	0.140	0.064	0.092	0.040	0.012
Share price at end of year	0.085	0.140	0.064	0.092	0.040
Basic earnings/(loss) per share (cents)	(0.62)	(0.67)	(0.20)	(0.32)	(0.22)
Diluted earnings/(loss) per share (cents)	(0.62)	(0.67)	(0.20)	(0.32)	(0.22)

(e) Contractual arrangements for executive KMP

The executive remuneration framework is summarised in the table below:

Component	Managing Director	Other Key Management Personnel
Fixed remuneration	$271,003	Range between $238,162 and $296,194
Short term incentive (STI)	Company may invite the employee to participate at its sole discretion	
Long term incentive (LTI)	Company may invite the employee to participate at its sole discretion	
Contract duration	Ongoing contract	Ongoing contract
Notice by the individual/company	6 months	3 months

Remuneration Report - Audited

(f) Non-executive director arrangements

Fees and payments to non-executive Directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the board taking into account comparable roles and market data. The Chair's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market.

Non-executive Directors do not receive performance-based pay.

Non-executive Directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at $300,000 per annum and was approved by shareholders at the Annual General Meeting held 27 November 2017.

Additional fees

A director may also be paid fees or other amounts as the Directors determine if a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director.

A director may also be reimbursed for out-of-pocket expenses incurred as a result of their directorship or any special duties.

Post-employment benefits

Superannuation contributions required under the Australian Superannuation Guarantee Legislation continue to be made and are deducted from the directors' overall fee entitlements, where applicable.

Throughout the period the following fees applied: non-executive chair $70,000 per annum; non-executive directors $50,000 per annum.

Remuneration Report - Audited

(g) KMP Remuneration

Details of the remuneration expense recognised for the Group's key management personnel during the current and previous financial year in accordance with the requirements of the accounting standards is included below at Figure 15.

Figure 15: Executive remuneration

Name		Fixed remuneration				Variable remuneration				Performance based percentage	
		Salary $	Post-employment benefits $	Other $	Total fixed $	Performance Rights $	Options $	Total linked to performance $	Total remuneration $	Fixed remuneration %	Remuneration linked to performance %
Executive Directors											
M. Ducler (from 23-Dec-19)	2021	248,979	21,694	-	270,673	350,082	-	350,082	620,755	44%	56%
	2020	117,577	10,501	-	128,078	2,184	-	2,184	130,262	98%	2%
J. Jones (to 23-Dec-19)	2021	-	-	-	-	-	-	-	-	-	-
	2020	52,635	-	40,000	92,635	-	-	-	92,635	100%	0%
Other KMP											
J. Whitford (from 13-Jan-20)	2021	239,079	21,455	-	260,534	297,787	-	297,787	558,321	47%	53%
	2020	92,067	8,746	-	100,813	2,118	-	2,118	102,931	98%	2%
B. Morton (from 24-Dec-19)	2021	208,662	19,291	-	227,953	273,799	-	273,799	501,752	45%	55%
	2020	67,825	6,443	-	74,268	1,947	-	1,947	76,215	97%	3%
J. Reid (from 2-Jan-20)	2021	212,625	20,199	-	232,824	214,406	-	214,406	447,231	52%	48%
	2020	80,853	7,681	-	88,534	1,525	-	1,525	90,059	98%	2%
Non-Executive Directors											
L. Warnick (from 23-Dec-19)	2021	70,000	-	-	70,000	-	-	-	70,000	100%	0%
	2020	36,720	-	-	36,720	-	-	-	36,720	100%	0%
P. Stern	2021	50,000	-	-	50,000	-	-	-	50,000	100%	0%
	2020	50,000	-	30,000	80,000	-	-	-	80,000	100%	0%
D. Varcoe (from 27-Nov-19)	2021	50,000	-	-	50,000	-	33,056	33,056	83,056	60%	40%
	2020	29,167	-	-	29,167	-	67,046	67,046	96,213	30%	70%
J. Jones (from 23-Dec-19)	2021	45,662	4,338	-	50,000	-	-	-	50,000	100%	0%
	2020	26,075	-	-	26,075	-	-	-	26,075	100%	0%
G. Smith (to 23-Dec-19)	2021	-	-	-	-	-	-	-	-	-	-
	2020	23,925	-	-	23,925	-	-	-	23,925	100%	0%
Total	**2021**	**1,125,007**	**86,977**	**-**	**1,211,984**	**1,136,074**	**33,056**	**1,169,130**	**2,381,114**	**51%**	**49%**
	2020	576,844	33,371	70,000	680,215	7,774	67,046	74,820	755,035	90%	10%

Remuneration Report - Audited

(h) Other statutory information

(i) *Terms and conditions of the share-based payment arrangements*

Performance Rights

The terms and conditions of each grant of performance rights to KMP affecting remuneration in the current or future reporting period are as follows:

Tranche	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Disposal Restriction
2020A	Director performance rights[1]	16-Jun-20	3,661,560	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	23-Jun-24	Non-transferable
2020B	Employee / consultant performance rights[2]	23-Jun-20	7,809,973	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	23-Jun-24	Non-transferable
2020C LTI	Director performance rights (2020C LTI)	15-Jul-20	2,382,216	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	30-Jun-22	Non-transferable
2020D LTI	Employee / consultant performance rights (2020D LTI)	6-Oct-20	3,939,574	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	30-Jun-22	Non-transferable

[1] – 1,830,780 2020A Performance Rights were deemed to have met their performance conditions (as outlined below) during the year. The 2020A Performance Rights were converted to fully paid ordinary shares on 7 July 2021. In accordance with AASB 2, the remaining share-based payment expense has been recognised at 30 June 2021.

[2] – 3,904,987 2020B Performance Rights were deemed to have met their performance conditions (as outlined below) during the year. The 2020B Performance Rights were converted to fully paid ordinary shares on 7 July 2021. In accordance with AASB 2, the remaining share-based payment expense has been recognised at 30 June 2021.

The performance/vesting conditions of the respective tranches of Performance Rights are outlined below.

2020A/2020B Performance Rights

The 2020A and 2020B performance rights shall vest on the later date to occur of:

a) The date when the milestones shown in the table below are met; and

Performance / Vesting Condition and Performance Period	Extent to which Performance Rights vest
Automatically vest upon the Company announcing a JORC compliant Mineral Resource of at least 500,000 ounces.[1]	50%
Automatically vest upon the Company announcing a JORC compliant Mineral Resource of at least 1,000,000 ounces.[2]	50%

[1] – 1,830,780 2020A Performance Rights and 3,904,987 2020B Performance Rights were deemed to have met their performance conditions (as outlined below) during the year. The 2020A Performance Rights were converted to fully paid ordinary shares on 7 July 2021. In accordance with AASB 2, the remaining share-based payment expense has been recognised at 30 June 2021.

[2] – No share based payment expense has been recognised for performance rights associated with this milestone.

b) the date when the holder gives a notice to the Company confirming that the holder would like the Performance Rights to vest.

The performance rights issued are subject to non-market vesting conditions. The performance rights were valued based upon the share price at the deemed grant date.

Tranche	Grant Date	Number of Instruments	Valuation at grant date
2020A	16-Jun-20	3,661,560	$0.125
2020B	23-Jun-20	7,809,973	$0.15

2020C LTI Performance Rights

The 2020C LTI Performance Rights which do not meet the performance/vesting conditions by the end of the performance period will automatically lapse. The following performance and vesting conditions apply:

Performance/Vesting Condition and Performance Period	% Vesting
Continuous employment with the Company until 30 June 2022 and:	
Total Shareholder Return < 10% p.a.	0%
Total Shareholder Return = 10% p.a.	33%
10% < Total Shareholder Return ≤ 20% p.a.	33% to 100%
Total Shareholder Return ≥ 20% p.a.	100%

Where for the purposes of the above table:

- **Total Shareholder Return** is calculated in accordance with the following formula:

$$\text{Total Shareholder Return (\%)} = \left(\frac{\text{SP End}}{\text{SP Start}}\right) - 1$$

- **SP End** means the volume weighted average price of fully paid ordinary shares of the Company trading on the ASX on the 30 trading days prior to 30 June 2022.
- **SP Start** means the volume weighted average price of fully paid ordinary shares of the Company trading on the ASX on the 30 trading days prior to 1 January 2020.

The performance rights issued are subject to both market and non-market vesting conditions. The performance rights were valued using the Hoadley's Hybrid ESO Model (a Monte Carlo simulation model) with implied share price targets for the performance rights.

2020D LTI Performance Rights

The 2020D LTI Performance Rights which do not meet the performance/vesting conditions by the end of the performance period will automatically lapse. The following performance and vesting conditions apply:

Performance/Vesting Condition and Performance Period	% Vesting
Continuous employment with the Company until 30 June 2022 and:	
Total Shareholder Return < 10% p.a.	0%
Total Shareholder Return = 10% p.a.	33%
10% < Total Shareholder Return ≤ 20% p.a.	33% to 100%
Total Shareholder Return ≥ 20% p.a.	100%

Where for the purposes of the above table:

- **Total Shareholder Return** is calculated in accordance with the following formula:

$$\text{Total Shareholder Return (\%)} = \left(\frac{\text{SP End}}{\text{SP Start}}\right) - 1$$

- **SP End** means the volume weighted average price of fully paid ordinary shares of the Company trading on the ASX on the 30 trading days prior to 30 June 2022.
- **SP Start** means the volume weighted average price of fully paid ordinary shares of the Company trading on the ASX on the 30 trading days prior to 1 July 2020.

Remuneration Report - Audited

The performance rights issued are subject to both market and non-market vesting conditions. The performance rights were valued using the Hoadley's Hybrid ESO Model (a Monte Carlo simulation model) with implied share price targets for the performance rights.

Tranche	Grant date	Number of Instruments	Valuation at grant date
2020C LTI	15-Jul-20	2,382,216	$0.1049
2020D LTI	6-Oct-20	3,939,574	$0.1218

Options

The Company did not make a grant of unquoted options to KMP during the year.

The terms and conditions of each previous grant of options affecting remuneration in the current or a future reporting period are as follows:

Tranche	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Vesting Date
E	Director Options	02-Dec-19	1,000,000	$0.135	27 Nov 2022	Immediate
F	Director Options	02-Dec-19	1,000,000	$0.135	27 Nov 2022	27 Nov 2020
G	Director Options	02-Dec-19	1,000,000	$0.135	27 Nov 2022	27 Nov 2021

In order for the Director Options to vest, the Director must remain a director as at the Vesting Date.

The Options were valued using a Black Scholes Model with the following inputs:

Tranche	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Options ($)	Total Value ($)
E	02-Dec-19	80%	0.70%	27 Nov 2022	$0.088	0.0359	35,909
F	02-Dec-19	80%	0.70%	27 Nov 2022	$0.088	0.0359	35,909
G	02-Dec-19	80%	0.70%	27 Nov 2022	$0.088	0.0359	35,909

Subject to the Board's discretion, options shall be cancelled for nil consideration where the recipient ceases to hold employment or office with the Company.

(ii) ***Reconciliation of options, deferred shares and ordinary shares held by KMP***

The numbers of options over ordinary shares in the Group held during the period by each Director of Anglo Australian Resources NL and other key management personnel of the Group, including their personally related parties, are set out below.

Figure 16: Option holdings

Name	Balance at beginning of the year		Granted as compensation	Vested		Exercised		Net Change Other	Balance at the end of the year	
	Vested and exercisable	Unvested		Number	%	Number	Exercise price[1]		Vested and exercisable	Unvested
J. Jones	31,530,000	-	-	-	-	(31,530,000)	$0.028	-	-	-
P. Stern	6,700,000	-	-	-	-	(6,700,000)	$0.037	-	-	-
D. Varcoe	1,000,000	2,000,000	-	1,000,000	33%	-	-	-	2,000,000	1,000,000
Total	**39,230,000**	**2,000,000**	**-**	**1,000,000**		**(38,230,000)**	**$0.030**	**-**	**2,000,000**	**1,000,000**

[1] – Weighted average exercise price of options, given multiple tranches of options were exercised.

The numbers of shares in the Group held during the period by each Director of Anglo Australian Resources NL and other key management personnel of the Group, including their personally related parties are set out below. There were no shares granted during the reporting period as compensation.

Remuneration Report - Audited

Figure 17: Shareholdings

Name	Balance at the start of the year	Capital Raising shares subscribed for	Share Purchase Plan shares subscribed for	Shares issued upon exercise of options	Other changes[1]	Balance at the end of the year
Directors						
Mr Leigh Warnick	-	-	-	-	-	-
Mr Marc Ducler	2,500,000	-	176,470	-	386,430	3,062,900
Mr John Jones	37,102,177	-	-	31,530,000	-	68,632,177
Mr Peter Stern	15,506,252	-	-	6,700,000	-	22,206,252
Mr David Varcoe	-	-	-	-	200,000	200,000
Other key management personnel						
Mr Jed Whitford	100,000	-	58,823	-	63,508	222,331
Mr Brendon Morton	310,000	-	117,646	-	71,250	498,896
Ms Julie Reid	100,000	-	117,647	-	(50,000)	167,647
Total	**55,618,429**	**-**	**470,586**	**38,230,000**	**671,188**	**94,990,203**

[1] – Includes on-market acquisitions and disposals.

There were no shares subject to escrow at 30 June 2021.

The number of performance rights over ordinary shares in the Group held during the period by each Director of Anglo Australian Resources NL and other key management personnel of the Group, including their personally related parties, are set out below.

Figure 18: Performance Rights

Name	Balance at the start of the year		Granted as compensation	Exercised/ Expired	Balance at the end of the year	
	Vested and exercisable	Un-vested			Vested and exercisable	Un-vested
Directors						
Mr Marc Ducler	-	3,661,560	2,382,216	-	1,830,780	4,212,996
Other key management personnel						
Mr Jed Whitford	-	2,958,988	1,492,576	-	1,479,494	2,972,070
Mr Brendon Morton	-	2,720,589	1,372,343	-	1,360,295	2,732,637
Ms Julie Reid	-	2,130,440	1,074,655	-	1,065,220	2,139,875
Total	**-**	**11,471,577**	**6,321,790**	**-**	**5,735,789**	**12,057,578**

(iii) ***Key Management Personnel Loans***

There were no loans to or from key management personnel outstanding at 30 June 2021 (2020: nil).

(iv) ***Other transactions and balances with key management personnel***

Metropolis Pty Ltd, a company of which Peter Stern is a Director, received $50,000 excluding GST (2020: $105,000) during the year for non-executive directors fees, of which $12,500 related to fees owing at 30 June 2020. An amount of $12,500 was invoiced but unpaid at 30 June 2021 (2020: $12,500).

There were no other transactions and outstanding balances with key management personnel for the year ended 30 June 2021 that are not already included in the Remuneration Report contained in the Directors' Report.

(v) ***Remuneration consultants***

The Board may, from time to time, engage independent remuneration consultants to assist with the review of the Company's remuneration policy and structure to ensure it remains aligned to the Company's needs and meets the Company's remuneration principles. The Company did not engage any independent remuneration consultants during the year.

(vi) ***Voting of shareholders at the Company's 2020 Annual General Meeting***

The Company received more than 99% of "yes" votes on its remuneration report for the 2020 financial year. The Company did not receive any specific feedback at the Annual General Meeting or throughout the year on its remuneration practices.

This is the end of the Remuneration Report.

This report of Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of Directors.

Marc Ducler
Managing Director

Perth, Western Australia
22 September 2021

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DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF ANGLO AUSTRALIAN RESOURCES NL

As lead auditor of Anglo Australian Resources NL for the year ended 30 June 2021, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Anglo Australian Resources NL and the entities it controlled during the period.

Dean Just

Partner

BDO Audit (WA) Pty Ltd

Perth, 22 September 2021

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INDEPENDENT AUDITOR'S REPORT

To the members of Anglo Australian Resources NL

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Anglo Australian Resources NL (the Company) and its subsidiaries (the Group), which comprises the consolidated balance sheet as at 30 June 2021, 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 year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and

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

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with the 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Key audit matters

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

Accounting for Share Based Payments

Key audit matter	How the matter was addressed in our audit
During the financial year ended 30 June 2021, the Group issued options, shares and performance rights to key management personnel and other stakeholders. Refer to Note 1(u) of the financial report for a description of the accounting policy and significant estimates and judgements applied to these arrangements and Note 22 of the financial report for disclosure of the arrangements. Share-based payments are a complex accounting area and due to the complex and judgemental estimates used in determining the fair value of the share-based payments in accordance with AASB 2 Share Based Payment, we consider the Group's calculation of the share-based payments expense to be a key audit matter.	Our procedures included, but were not limited to: • Reviewing market announcements and board minutes to identify that all new share-based payments granted during the year have been accounted for; • Reviewing the relevant supporting documentation to obtain an understanding of the contractual nature and terms and conditions of the share-based payments arrangements; • Evaluating management's methodology for calculating the fair value of the share-based payments, including assessing the valuation inputs using internal specialists where required; • Recalculating estimated fair value of the share based payments using relevant valuation methodologies; • Assessing the allocation of the share-based payment expense over management's expected vesting period; • Assessing management's determination of achieving milestones; and • Assessing the adequacy of the related disclosures in Notes 1(u) and 22 of the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the directors for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 37 to 44 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Anglo Australian Resources NL, for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Dean Just

Director

Perth, 22 September 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

	Note	2021 $	2020 $
Revenue from continuing operations			
Other income	4	82,159	66,178
Consultants and advisors	5	(108,966)	(1,013,816)
Corporate costs	5	(451,444)	(416,023)
Depreciation and amortisation expense		(77,580)	(72,951)
Employee benefit expense	5	(753,162)	(319,562)
Exploration expenditure not capitalised		(20,337)	(61,842)
General and administrative expenses		(129,252)	(164,266)
Impairment expense	12	(464,190)	(457,480)
Interest expense		(3,290)	(4,946)
Investor relations		(117,721)	(79,579)
Loss on financial liabilities settled via equity		(28,571)	(108,881)
Share based payment expense		(1,597,213)	(76,874)
Loss before income tax		**(3,669,567)**	(2,710,042)
Income tax expense	6	-	-
Net loss for the year		**(3,669,567)**	(2,710,042)
Other comprehensive income			
Items that may be reclassified to profit or loss		-	-
Exchange differences on translation of foreign operations		-	-
Other comprehensive loss for the year, net of tax		**-**	-
Total comprehensive loss for the year		**(3,669,567)**	(2,710,042)
Total comprehensive loss attributable to equity holders of the Company		**(3,669,567)**	(2,710,042)
Loss per share attributable to ordinary equity holders			
Basic loss per share (cents per share)	7	(0.66)	(0.67)
Diluted loss per share (cents per share)	7	(0.66)	(0.67)

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

Consolidated Balance Sheet

As at 30 June 2021

	Note	2021 $	2020 $
ASSETS			
Current assets			
Cash and cash equivalents	9	9,807,468	3,401,903
Trade and other receivables	10	75,683	307,919
Total current assets		9,883,151	3,709,822
Non-current assets			
Property, plant and equipment	11	83,015	60,002
Exploration and evaluation expenditure	12	13,227,016	8,281,952
Right of use assets	13	58,321	101,494
Total non-current assets		13,368,353	8,443,448
TOTAL ASSETS		23,251,503	12,153,270
LIABILITIES			
Current liabilities			
Trade and other payables	14	369,532	407,119
Employee benefits	15	161,343	62,627
Lease liabilities	16	45,173	57,365
Total current liabilities		576,048	527,111
Non-current liabilities			
Lease liabilities	16	18,788	46,705
Provisions	17	99,020	89,840
Total non-current liabilities		117,808	136,545
TOTAL LIABILITIES		693,856	663,656
NET ASSETS		**22,557,647**	11,489,614
EQUITY			
Issued capital	18	56,409,068	43,575,908
Reserves	19	2,994,375	1,089,936
Accumulated losses		(36,845,796)	(33,176,230)
TOTAL EQUITY		**22,557,647**	11,489,614

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2021

	Note	2021 $	2020 $
Cash flows from operating activities			
Other income		129,552	(22,178)
Payments to suppliers and employees		(1,399,743)	(1,251,798)
Net cash flows used in operating activities	20	**(1,270,191)**	(1,273,976)
Cash flows from investing activities			
Exploration and evaluation expenditure		(5,538,539)	(3,013,091)
Proceeds from joint venture partner		900,000	100,000
Settlement of third-party royalty		(541,360)	-
Payments for property, plant and equipment		(31,871)	(62,259)
Interest received		44,659	3,678
Net cash flows used in investing activities		**(5,167,111)**	(2,971,672)
Cash flows from financing activities			
Proceeds from issue of shares and options		13,518,492	7,528,906
Interest paid		-	(311)
Repayment of principal portion of lease liabilities		(68,948)	(72,754)
Capital raising costs		(606,677)	(257,209)
Net cash flows from financing activities		**12,842,867**	7,198,632
Cash and cash equivalents at beginning of the year		6,405,565	448,919
Net increase/(decrease) in cash and cash equivalents		3,401,903	2,952,984
Cash and cash equivalents at end of the year	9	**9,807,468**	3,401,903

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2021

	Issued capital $	Share-based payment reserve $	Accumulated losses $	Total $
Balance at 1 July 2019	**35,292,993**	**916,649**	**(30,466,188)**	**5,743,454**
Loss for the year	-	-	(2,710,042)	(2,710,042)
Total comprehensive loss for the year	-	-	(2,710,042)	(2,710,042)
Transactions with owners, directly recorded in equity:				
Issue of ordinary shares *(net of costs)*	8,282,915	-	-	8,282,915
Issue/vesting of performance rights	-	9,828	-	9,828
Issue/vesting of options	-	163,459	-	163,459
Balance at 30 June 2020	**43,575,908**	**1,089,936**	**(33,176,230)**	**11,489,614**

	Issued capital $	Share-based payment reserve $	Accumulated losses $	Total $
Balance at 1 July 2020	**43,575,908**	**1,089,936**	**(33,176,230)**	**11,489,614**
Loss for the year	-	-	(3,669,567)	(3,669,567)
Total comprehensive loss for the year	-	-	(3,669,567)	(3,669,567)
Transactions with owners, directly recorded in equity:				
Issue of ordinary shares *(net of costs)*	12,833,160	-	-	12,833,160
Issue/vesting of performance rights	-	1,446,999	-	1,446,999
Issue/vesting of options	-	457,440	-	457,440
Balance at 30 June 2021	**56,409,068**	**2,994,375**	**(36,845,796)**	**22,557,647**

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated. These financial statements are for the consolidated Group consisting of Anglo Australian Resources NL and its subsidiaries, together referred to as Anglo or the Group.

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

The following Accounting Standards and Interpretations are most relevant to the Group:

(a) Conceptual Framework for Financial Reporting (Conceptual Framework)

The Group has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

(b) New or amended Accounting Standards and Interpretations adopted

The Group 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.

(c) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* (Cth).

Anglo Australian Resources NL is a listed public company, incorporated and domiciled in Australia. Anglo Australian Resources NL is a for-profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

An individual entity is no longer presented as the consequence of a change to the Corporations Act 2001. Financial information for Anglo Australian Resources NL as an individual entity is included in Note 29.

(d) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Anglo Australian Resources NL (”**the Company**” or “**the Parent Entity**”) as at 30 June 2021 and the results of all subsidiaries for the period then ended. Anglo Australian Resources NL and its subsidiaries together are referred to in this financial report as “**the Group**” or “**the Consolidated Entity**”.

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

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity, and Consolidated Balance Sheet respectively.

(e) Going concern

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

As at 30 June 2021, the Group had cash and cash equivalents of $9,807,468 and had net working capital of $9,307,102. The Group incurred a loss for the year ended 30 June 2021 of $3,669,567 (30 June 2020: loss of $2,710,042) and net cash outflows used in operating activities and investing activities totalling $6,437,302 (30 June 2020: cash outflows of $4,245,648).

On the basis of the above, the directors believe that, as at the date of this report, there will be sufficient funds available to meet the Group's working capital requirements.

(f) Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM are responsible for the allocation of resources to operating segments and assessing their performance.

(g) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

(h) Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

(i) Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amounts of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Anglo Australian Resources NL (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

(j) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(k) Cash and cash equivalents

For cashflow statement presentation, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in rate and bank overdrafts.

(l) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(m) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost or re-valued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

- Vehicles: 5 - 8 years
- Furniture, fittings and equipment: 3 - 8 years
- Field equipment: 3 - 8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(n) Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

(o) Farm-out arrangements

The Group does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the farmor as a gain on disposal.

(p) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(q) Impairment of assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(r) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(s) Contributed equity

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Where any Group company purchases the Company’s equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of Anglo Australian Resources NL as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of Anglo Australian Resources NL.

(t) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(u) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

(v) Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

(w) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liabilities for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments

Equity-settled share-based compensation benefits are provided to eligible employees. Equity-settled transactions are awards of performance rights or options over shares that are provided to employees in exchange for the rendering of services. The cost of equity-settled transactions are measured at fair value on grant date.

(i) *Options*

The fair values of options are independently determined using either the Binomial or Black-Scholes option pricing models. The calculation of fair value for options takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

(ii) *Performance rights*

The fair value of performance rights with market-based performance and vesting criteria are independently determined using the Hoadleys Hybrid ESO Model (a Monte Carlo simulation model). The calculation of fair value for rights takes into account the term of the right, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the right, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. An exercise multiple is applied based on a Hull-White Model which is considered the de facto standard for IFRS 2 and FASB 123R compliant employee share option valuations. No account is taken of any other vesting conditions.

The fair value of performance rights granted to employees for nil consideration under the Employee Incentive Plan is recognised as an expense over the relevant service period, being the vesting period of the performance rights. The fair value is measured at the grant date of the performance rights and is recognised in equity in the share-based payment reserve.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification had not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If an equity-settled award is cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the new award is treated as a modification of the cancelled award.

(x) Fair value measurement

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

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

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

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

(y) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(z) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Anglo Australian Resources NL, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(aa) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the Consolidated Statement of Cash Flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

(bb) Parent entity information

The financial information for the parent entity, Anglo Australian Resources NL, disclosed in Note 29 has been prepared on the same basis as the consolidated financial statements.

(cc) Standards and Interpretations in use not yet adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2021. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

2. Critical accounting estimates and judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Hoadleys Hybrid ESO Model (a Monte-Carlo simulation model) or Black-Scholes models (as the case may be), taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Where performance rights are subject to vesting conditions, Management has formed judgments around the likelihood of vesting conditions being met. Expenses recognised during the year have been calculated accordingly. Refer to Note 22 for further information.

Exploration and evaluation costs

Exploration and evaluation expenditures are those expenditures incurred in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Expenditure incurred on activities that precede exploration and evaluation of mineral resources, including all expenditure incurred prior to securing legal rights to explore an area, is expensed as incurred.

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. An 'area of interest' is an individual geological area which is considered to constitute a favourable environment for the presence of a mineral deposit or has been proved to contain such a deposit. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- Such costs are expected to be recouped through successful development and exploitation or from sale of the area; and
- Exploration and evaluation activities in the area have not, at balance date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable resources, and active and significant operations in, or relating to, this area are continuing.

A regular review is undertaken in each area of interest to determine the appropriateness of continuing to carry forward costs in relation to each area of interest. If costs do not meet the criteria noted above, they are written off in full against the profit or loss statement.

Impairment of exploration and evaluation assets

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Exploration and evaluation assets are tested for impairment when any of the following facts and circumstances exists:

- The term of the exploration licence in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration and evaluation of mineral resources in the specific area of interest is not budgeted or planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resource and the decision has been made to discontinue such activities in the specific area; or
- Sufficient data exists to indicate that, although development in the specific area of interest is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

When a potential impairment is indicated, an assessment is performed for each cash generating unit which is no larger than the area of interest.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee benefits provision

As discussed in Note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Rehabilitation provision

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

3. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors. The Group has determined that it has one operating segment, being mineral exploration and development.

4. Other income

	2021 $	2020 $
Bank interest	44,659	3,678
Government grant income	37,500	62,500
	82,159	66,178

Government grant income relates to the ATO cash boost stimulus measure introduced during the COVID-19 pandemic.

5. Expenses

Profit/(Loss) before income tax for the year includes the following specific items:

	2021 $	2020 $
Employee benefit expense		
Employee expenses (including employment related expenses)	1,249,294	462,926
Superannuation	114,263	42,527
	1,363,557	505,453
Capitalised as exploration and evaluation expenditure	(610,395)	(185,891)
Total employee benefits expense	753,162	319,562
Consultants and advisors		
Accounting and secretarial	20,398	97,310
Legal	88,568	795,812
Other	-	120,694
Total consultant and advisor costs	108,966	1,013,816
Corporate costs		
Compliance costs	75,637	65,134
Directors' fees (inclusive of superannuation)	265,662	285,822
Due diligence costs	77,358	-
Share registry costs	32,787	65,067
Total corporate costs	451,444	416,023

6. Income tax

	2021 $	2020 $
a) Components of income tax expense		
Current tax expense		-
Deferred tax expense		-
		-
b) Prima facie tax payable		
Loss before income tax	(3,669,567)	(2,710,042)
Prima facie income tax at 26% (2020: 30%)	(893,661)	(813,013)
Tax effect of amounts not deductible in calculating taxable income		
- Entertainment	380	576
- Other non-deductible expenses	-	135,975
- Share-based payments	422,704	55,727
- Non-assessable income	(9,750)	(18,750)
- Tax losses not recognised	480,327	639,485
Income tax expense/(benefit) attributable to loss	-	-
c) Current tax liability		
Current tax relates to the following:		
Current tax liabilities / (assets)		
Opening balance	-	-
Income tax	-	-
Instalments paid	-	-
	-	-
d) Deferred Tax		
Deferred tax relates to the following:		
Deferred Tax Assets (DTA) balance comprises:		
Plant and equipment under lease	16,630	31,221
Accruals	24,919	25,497
Provisions – annual and long service leave	18,844	9,877
Provisions - other	27,404	-
Capital raising costs	179,688	61,730
Business related costs	135,695	219,452
Tax losses	9,376,155	9,471,933
Offset against Deferred Tax Liabilities / Non-recognition	(9,779,335)	(9,819,710)
	-	-
Deferred Tax Liabilities balance comprises:		
Prepayments	(3,317)	-
Exploration assets	(2,645,557)	(2,451,934)
Offset against Deferred Tax Assets	2,648,873	2,451,934
	-	-
Net Deferred Tax	-	-
e) Deferred income tax (revenue)/expense included in income tax expenses comprises:		
Decrease / (increase) in deferred tax assets	(1,972,540)	(1,459,465)
(Decrease) / increase in deferred tax liabilities	1,334,477	742,817
Revaluation of DTA due to change in tax rate	982,370	-
Under/(over) provision	(106,993)	-
Non-recognition of deferred tax assets	(237,314)	716,648
		-
f) Deferred income tax related to items charged or credited directly to equity		
Decrease / (increase) in deferred tax assets	157,736	77,163
(Decrease) / increase in deferred tax liabilities	-	-
Non-recognition of deferred tax assets	(157,736)	(77,163)
	-	-
g) Deferred tax assets not brought to account		
Temporary differences	(2,260,856)	(2,134,605)
Operating tax losses	9,376,155	9,471,933
	7,115,298	7,337,329

7. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit/(loss) for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

Basic and diluted profit/(loss) per share	**2021 Cents**	**2020 Cents**
Basic profit/(loss) per share (cents per share)	(66)	(67)
Diluted profit/(loss) per share (cents per share)	(66)	(67)

Profit/(Loss)	**2021 $**	2020 $
Profit/(loss) used in the calculation of basic and diluted earnings per share is as follows:		
Profit/(loss)	(3,669,567)	(2,710,042)
Loss from continuing operations	(3,669,567)	(2,710,042)

Weighted average number of ordinary shares	**2021 No.**	2020 No.
Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS	555,744,472	406,063,700
Weighted average number of ordinary shares outstanding during the period used in calculating diluted EPS	555,744,472	406,063,700

8. Dividends paid or proposed

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

9. Cash and cash equivalents

	2021 $	**2020 $**
Current		
Cash at bank and in hand	9,807,468	3,401,903

Cash at bank and in hand earns interest at both floating rates based on daily bank rates and fixed rate term deposits. The Company notes that $13,365 (included in the Cash at bank and in hand amount) is held as a guarantee with National Australia Bank subject to the following lease agreement:

- $13,365 held as a bank guarantee for the Company's sub-lease agreement at its premises at Suite 2, 6 Lyall Street, South Perth.

Refer to Note 21 on financial instruments for details on the Company's exposure to risk in respect of its cash balance.

10. Trade and other receivables

	2021 $	2020 $
Current		
Trade debtors	-	162,500
Rental deposits	11,224	11,223
GST receivable	51,702	125,931
Prepayments	12,757	8,265
	75,683	307,919

The Group did not have any receivables that were past due as at 30 June 2021 (30 June 2020: Nil). The Group therefore did not consider a credit risk on the aggregate balances as at 30 June 2021. For more information, please refer to Note 21.

11. Property, plant and equipment

	2021 $	2020 $
Motor vehicles – at cost	52,596	52,596
Less: Accumulated depreciation	(8,390)	(2,074)
	44,206	50,522
Plant and equipment – at cost	41,534	9,662
Less: Accumulated depreciation	(2,725)	(182)
	38,809	9,480
Total	83,015	60,002

	Motor Vehicles $	Plant and equipment $	Total $
As at 1 July 2019	-	-	-
Additions	52,597	9,662	62,259
Depreciation	(2,075)	(182)	(2,257)
As at 30 June 2020	50,522	9,480	60,002
As at 1 July 2020	**50,522**	**9,480**	**60,002**
Additions	-	31,871	31,871
Depreciation	(6,316)	(2,543)	(8,859)
As at 30 June 2021	**44,206**	**38,809**	**83,015**

12. Exploration and evaluation expenditure

	2021 $	2020 $
Non-Current		
Exploration and evaluation - at cost	13,387,868	8,281,952

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	2021 $	2020 $
Movement		
Opening balance	8,281,952	5,873,285
Exploration expenditure capitalised during the year	5,558,713	2,962,017
Consideration to extinguish third-party royalties	741,360	-
Impairment expense	(464,190)	(457,480)
Revaluation of rehabilitation provision	9,180	4,130
Proceeds from Koongie Park Project Joint Venture partner	(900,000)	(100,000)
Closing balance	13,227,016	8,281,952
Comprised of:		
Carnilya Hill Project	-	-
Feysville Project	3,460,145	3,357,957
Koongie Park Project	675,917	1,646,689
Leonora Project	-	-
Mandilla Project	9,090,954	3,277,306
	13,227,016	8,281,952
Impairment		
Feysville Project	(192,691)	(230,966)
Koongie Park Project	(252,110)	(1,791)
Leonora Project	(13,753)	(224,723)
Carnilya Hill Project	(5,636)	-
	(464,190)	(457,480)

During the year, the Company assessed the carrying amount versus the recoverable amount of the areas of interest above. On the basis that a number of tenements had been relinquished and/or there is no substantive expenditure budgeted or planned, the Company recorded an impairment charge of $464,190 (2020: $457,480).

The Group's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

13. Non-current assets – right-of-use assets

The Group leases land and buildings for its offices and regional operating bases, with lease agreements between one to five years with, in some cases, options to extend.

	2021 $	2020 $
Land and buildings		
Opening balance	101,494	-
Additions to right-of-use assets	25,549	172,188
Depreciation charge for the year	(68,722)	(70,694)
Closing balance	58,321	101,494

14. Trade and other payables

	2021 $	2020 $
Current		
Trade payables	288,874	316,411
Accrued directors' fees	12,500	12,500
Other payables and accruals	68,158	78,208
	369,532	407,119

All amounts are expected to be settled within 12 months.

15. Employee benefits

	2021 $	2020 $
Current		
Provision for annual leave	105,400	32,922
PAYG Withholding	40,758	26,701
Superannuation payable	15,185	3,004
	161,343	62,627

16. Lease liabilities

	2021 $	2020 $
Current		
Lease liability	45,173	57,365
Non-current		
Lease liability	18,788	46,705
	63,961	104,070

17. Provision for rehabilitation

A provision has been made to cover the costs of rehabilitating the Company's areas of interest. It is not expected that this will be required in the next 12 months.

	2021 $	2020 $
Non-current		
Feysville	26,800	28,400
Koongie Park	33,240	33,240
Mandilla	38,980	28,200
	99,020	89,840

18. Issued capital

	2021 Shares	2020 Shares	2021 $	2020 $
Ordinary shares – fully paid	589,008,384	466,786,162	56,409,068	43,575,908

(i) Movements in ordinary share capital

Date	Details	No. of Shares	Issue Price	$
30-Jun-19	Balance	348,744,053	-	35,292,993
30-Jun-20	**Balance**	**466,786,162**	**-**	**43,575,908**
	Settlement of financial liability[1]	1,142,858	$0.20	228,571
	Placement – September 2020	64,705,882	$0.17	11,000,000
	Share Purchase Plan – October 2020	5,023,482	$0.17	853,992
	Exercise of $0.02 options expiring 30-Nov-20	29,800,000	$0.02	596,000
	Exercise of $0.025 options expiring 30-Nov-20	10,100,000	$0.025	252,500
	Exercise of $0.04 options expiring 30-Nov-20	2,500,000	$0.04	100,000
	Exercise of $0.08 options expiring 30-Nov-20	8,950,000	$0.08	716,000
	Share issue costs	-	-	(913,903)
30-Jun-21	**Closing Balance**	**589,008,384**		**56,409,068**

[1] - Includes share-based payment consideration, in which the value of share-based payment consideration is subject to the provisions of AASB Interpretation 19 – Extinguishing Financial Liabilities with Equity Instruments. The share price at the date of settlement was $0.20 being the deemed issue price.

(ii) Terms and conditions of issued capital

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

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

(iii) Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programs and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

(iv) Unissued ordinary shares

Unissued ordinary shares of Anglo Australian Resources NL under option at the date of this report are as follows:

Tranche	Grant date	Expiry date	Exercise price	Number
E	2-Dec-19	27-Nov-22	$0.135	1,000,000
F	2-Dec-19	27-Nov-22	$0.135	1,000,000
G	2-Dec-19	27-Nov-22	$0.135	1,000,000
H	18-Mar-20	31-Dec-21	$0.133	1,250,000
I	18-Mar-20	31-Dec-22	$0.15	1,250,000
J	9-Oct-20	9-Oct-22	$0.213	2,000,000
K	25-Sep-20	31-Dec-22	$0.34	6,000,000
Total unlisted options on issue at the date of this report				**13,500,000**

(v) Equity settled transactions

Settlement of Third-Party Liabilities

The Group issued 1,142,588 fully paid ordinary shares at a deemed issue price of $0.20 per share to eliminate a royalty on tenement M15/633 which comprises the Mandilla Gold Project. The royalty entitled the holder to $1 per tonne of gold ore mined and treated from M15/633.

Pursuant to the provisions of *AASB Interpretation 19 – Extinguishing Financial Liabilities with Equity Instruments*, the royalty was extinguished based on the fair value of equity instruments issued. As a result, $28,571 was recorded as an expense in the Consolidated Statement of Profit or Loss.

19. Share based payment reserves

	2021 **$**	2020 $
Share based payment reserves		
Options reserve (i)	1,537,548	1,080,108
Performance rights reserve (ii)	1,456,827	9,828
	2,994,375	1,089,936

(i) Options reserve

The share based payment reserve recognises options and performance rights issued as share based payments. The following options were issued during the prior year:

Options	**Number**	**Reserve**
Opening balance as at 1 July 2019	81,250,000	916,649
Exercise of $0.02 options expiring 30 November 2019	(29,900,000)	-
Options issued to director	3,000,000	67,046
Options issued to advisors *	2,500,000	96,413
30 June 2020	56,850,000	1,080,108

* The Company issued 2,500,000 unquoted options to a third party on 6 August 2020 with respect to services rendered under an agreement (refer to Note 22). The agreement was dated 6 March 2020. Consequently, the fair value of the options issued has been recognised as an expense prior to 30 June 2020.

Options	**Number**	**Reserve**
Opening balance as at 1 July 2020	56,850,000	1,080,108
Exercise of $0.02 options expiring 30 November 2020	(29,800,000)	-
Exercise of $0.025 options expiring 30 November 2020	(10,100,000)	-
Exercise of $0.04 options expiring 30 November 2020	(2,500,000)	-
Exercise of $0.08 options expiring 30 November 2020	(8,950,000)	-
Options issued to consultant	2,000,000	117,159
Options issued to advisors	6,000,000	307,225
Share based payment expense (options issued prior to 1 July 2020)	-	33,056
30 June 2021	13,500,000	1,465,993

(ii) Performance rights reserve

The share-based payment reserve recognises performance rights issued as share based payments. The following performance rights were issued during the prior year:

Performance rights	**Number**	**Reserve**
Opening balance as at 1 July 2019	-	-
Performance Rights issued to directors and employees	14,341,709	9,828
30 June 2020	14,341,709	9,828

Performance rights	Number	Reserve
Opening balance as at 1 July 2020	14,341,709	9,828
Performance Rights issued to directors and employees	9,336,795	422,054
Share based payment expense (rights issued prior to 1 July 2020)	-	255,534
Performance Rights vested during the year[1]	(7,170,855)	769,411
30 June 2021	16,507,649	1,456,827

[1] – 7,170,855 Performance Rights were deemed to have met their performance conditions during the year. The Performance Rights were converted to fully paid ordinary shares on 7 July 2021. In accordance with AASB 2, the remaining share based payment expense has been recognised at 30 June 2021.

20. Operating cash flow reconciliation

	2021 **$**	2020 $
Reconciliation of operating cash flows to net profit/(loss)		
Profit/(loss) for the year	(3,669,567)	(2,710,042)
Interest income reported under investment activities	(44,659)	(3,677)
Interest expense on lease liabilities	3,290	4,946
Share based payments	1,597,213	76,874
Legal settlement/costs – settled via equity	-	444,875
Depreciation expense	77,580	72,951
Impairment expense	464,190	457,480
Exploration expenditure written off	20,337	61,842
Directors’ fees taken in equity	-	170,362
Consultancy fees taken in equity	-	134,664
Loss on financial liabilities settled via equity	28,571	108,882
Change in operating assets and liabilities		
Change in trade and other receivables	58,008	(103,824)
Change in trade and other payables	194,846	10,691
Cash flow from/(used in) operations	(1,270,191)	(1,273,976)

Non-cash financing and investing activities

During the year, the Group agreed to settle the following financing and investing costs via the issue of the following equity securities:

- On 6 August 2020, the Company issued 1,142,588 ordinary shares at a deemed issue price of $0.20 per share (nominal value of AUD$200,000) to eliminate a third-party royalty held over tenement M15/633 of the Mandilla Gold Project. The royalty entitled the holders to receive $1 per tonne of gold ore mined and treated from M15/633.
- On 2 June 2021, 6,000,000 unquoted options were issued as settlement of third-party agreements relating to capital raising activities. The options are exercisable at $0.34 and expire on 31 December 2022. An expense of $307,225 was recognised in the current year.
- The Company incurred interest expense on lease liabilities of $3,290 (2020: $4,946).

There are no other non-cash financing and investing activities other than the above.

21. Financial risk management

Overview

This note presents information about the Group's exposure to credit, liquidity and market risks, the objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations resulting in financial loss to the Group. Presently, the Group undertakes mineral exploration and evaluation activities in Australia. At the balance sheet date, there were no significant concentrations of credit risk.

(i) Cash and cash equivalents

The Group limits its exposure to credit risk by only investing with major Australian financial institutions. All cash and cash equivalents are held with A+ rated financial institutions (2020: A+).

(ii) Trade and other receivables

The Group's trade and other receivables relates to government grant income, GST refunds and rental income.

The Group has determined that its credit risk exposure on trade and other receivables is low, as all counterparties are considered reliable. Management does not expect any of these counterparties to fail to meet their obligations.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Carrying Amount	
	2021 **$**	2020 $
Trade and other receivables	75,683	307,919
Cash and cash equivalents	9,807,468	3,401,903
Total	9,883,151	3,709,822

(b) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Group manages liquidity risk by maintaining adequate cash reserves from capital raisings and by continually monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. As at reporting date the Group had sufficient cash reserves to meet its requirements. The Group therefore had no credit standby facilities or arrangements for further funding in place.

The financial liabilities of the Group at reporting date were trade payables incurred in the normal course of the business and lease liabilities. Trade payables are non-interest bearing and were due within the normal 30-60 days terms of creditor payments. The Group does not consider this to be material to the Group and have therefore not undertaken any further analysis of risk exposure.

The following are the contractual maturities of financial liabilities, including estimated interest payments. The carrying amount of the Group's financial liabilities approximate their carrying amount at reporting date.

30 June 2021	Carrying Amount	Contractual Cash Flows	12 Months or Less	1-2 years	2-5 years	>5 years
Trade and other payables	369,532	369,532	369,532	-	-	-
Lease liabilities	63,961	68,956	47,956	6,000	15,000	-
Total	**433,493**	**438,488**	**417,488**	**6,000**	**15,000**	**-**

30 June 2020	Carrying Amount	Contractual Cash Flows	12 Months or Less	1-2 years	2-5 years	>5 years
Trade and other payables	407,119	407,119	407,119	-	-	-
Lease liabilities	104,070	115,500	64,200	30,300	18,000	3,000
Total	**511,589**	**522,619**	**471,319**	**30,300**	**18,000**	**3,000**

(c) Market risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

(i) Commodity risk

The Group is at a stage of development where it has little or no exposure to commodity price risk.

(ii) Interest rate risk

The Group is exposed to interest rate risk (primarily on its cash and cash equivalents and any interest-bearing liabilities), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Group does not use derivatives to mitigate these exposures.

Profile

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying Amount	
	2021 **$**	2020 $
Variable rate instruments		
Cash and cash equivalents	9,807,468	3,401,903

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would not materially affect equity and profit or loss after tax.

(d) Fair values

The carrying value of cash and cash equivalents, trade and other receivables, trade and other payables and interest-bearing liabilities is considered to be a fair approximation of their fair values.

22. Share based payments

(a) Employee Incentive Plan

The Company's Employee Incentive Plan (the **Plan**) was approved by shareholders at a general meeting held on 16 June 2020. The Plan is intended to assist the Company to attract and retain key staff, including employees or contractors. The Board believes that grants made to eligible participants under the Plan will provide a powerful tool to underpin the Company's employment and engagement strategy, and that the Plan will:

- enable the Company to incentivise and retain existing key management personnel and other eligible employees and contractors needed to achieve the Company's business objectives;
- enable the Company to recruit, incentivise and retain additional Key Management Personnel, and other eligible employees and contractors, needed to achieve the Company's business objectives;
- link the reward of key staff with the achievement of strategic goals and the long-term performance of the Company;
- align the financial interest of participants of the Plan with those of shareholders; and
- provide incentives to participants under the Plan to focus on superior performance that creates shareholder value.

Under the Plan, eligible Directors, employees and contractors may be invited to subscribe for Options and Performance Rights, in order to increase the range of potential incentives available for eligible Directors, employees and contractors. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Incentive securities (performance rights and options) issued under the Plan are subject to vesting and performance conditions imposed by the Board. Incentive securities granted under the plan carry no dividend or voting rights. Only upon satisfaction of vesting and performance conditions and conversion to ordinary shares, will these incentive securities rank equally with all other shares.

(b) Unlisted options

Options over ordinary shares have been issued for nil cash consideration. The options cannot be transferred and will not be quoted on the ASX. Therefore, no voting rights are attached to the options unless converted into ordinary shares. All options are granted at the discretion of the Board. The terms and conditions of options on issue at 30 June 2021 are as follows:

Tranche	Number	Grant Date	Expiry Date	Exercise Price (cents)	Fair Value at Grant Date	Vesting Date
E	1,000,000	2-Dec-19	27-Nov-22	13.50	$0.0359	2-Dec-19
F	1,000,000	2-Dec-19	27-Nov-22	13.50	$0.0359	27-Nov-20
G	1,000,000	2-Dec-19	27-Nov-22	13.50	$0.0359	27-Nov-21
H	1,250,000	18-Mar-20	31-Dec-21	13.30	$0.0346	18-Mar-20
I	1,250,000	18-Mar-20	31-Dec-22	15.00	$0.0425	18-Mar-20
J[1]	2,000,000	9-Oct-20	9-Oct-22	21.30	$0.0586	9-Oct-20
K	6,000,000	25-Sep-20	31-Dec-22	34.00	$0.0512	25-Sep-20
Total	**13,500,000**					

[1] - *Options issued under the Company's Employee Incentive Plan.*

There have been no alterations of the terms and conditions of the above share-based payment arrangement since grant date.

The following table illustrates the number and weighted average exercise prices of and movements in share options during the year:

	2021		2020	
	Number	Weighted Average Exercise Price $	Number	Weighted Average Exercise Price $
Outstanding at the beginning of the year	56,850,000	$0.038	81,250,000	$0.028
Granted during the year	8,000,000	$0.269	5,500,000	$0.135
Forfeited during the year	-	-	-	-
Exercised during the year	(51,350,000)	$0.032	(29,900,000)	$0.02
Expired during the year	-	-	-	-
Outstanding at the end of year	13,500,000	$0.239	56,850,000	$0.038
Exercisable at the end of year	12,500,000	$0.247	52,350,000	$0.034
Weighted average remaining contractual life of options outstanding at the end of year	1.36 years		0.53 years	

The fair values of the equity settled share options granted are estimated as at the date of the grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted.

The terms and conditions of each grant of unquoted options affecting share-based payment expenditure in the current or a future reporting period are as follows:

Tranche	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Vesting Date
E	Director Options	02-Dec-19	1,000,000	$0.135	27 Nov 2022	Immediate
F	Director Options[2]	02-Dec-19	1,000,000	$0.135	27 Nov 2022	27 Nov 2020
G	Director Options[2]	02-Dec-19	1,000,000	$0.135	27 Nov 2022	27 Nov 2021
J	Consultant Options	9-Oct-20	2,000,000	$0.213	9-Oct-22	Immediate[1]
K	Advisor Options	25-Sep-20	6,000,000	$0.34	31-Dec-22	Immediate

[1] - Requires the eligible employee to continue service with the Company from Grant Date until the earlier of the date of exercise or the expiry date.

[2] - In order for the Director Options to vest, the Director must remain a director as at the Vesting Date.

The Options were valued using a Black-Scholes Model with the following inputs:

Tranche	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Options ($)	Total Value ($)
E	02-Dec-19	80%	0.70%	27 Nov 2022	$0.088	0.0359	35,909
F	02-Dec-19	80%	0.70%	27 Nov 2022	$0.088	0.0359	35,909
G	02-Dec-19	80%	0.70%	27 Nov 2022	$0.088	0.0359	35,909
J	9-Oct-20	80%	0.35%	9-Oct-22	$0.213	0.0586	117,159
K	25-Sep-20	85%	0.35%	31-Dec-22	$0.17	0.0512	307,225

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

(c) Performance Rights

Performance rights granted during the year as share based payments are as follows:

Tranche	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Disposal Restriction
E	Director performance rights (2020C LTI)	15-Jul-20	2,382,216	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	30-Jun-22	Non-transferable
F	Employee / consultant performance rights (2020D LTI)	6-Oct-20	5,760,517	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	30-Jun-22	Non-transferable
G	Employee / consultant performance rights (2020D LTI)	31-May-21	1,194,062	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	30-Jun-22	Non-transferable

Performance rights issued in prior periods which affect share-based payment expenditure in the current or future reporting periods are as follows:

Tranche	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Disposal Restriction
2020A	Director performance rights[1]	16-Jun-20	3,661,560	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	23-Jun-24	Non-transferable
2020B	Employee / consultant performance rights[2]	23-Jun-20	10,680,149	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	23-Jun-24	Non-transferable

[1] – 1,830,780 2020A Performance Rights were deemed to have met their performance conditions (as outlined below) during the year. The 2020A Performance Rights were converted to fully paid ordinary shares on 7 July 2021. In accordance with AASB 2, the remaining share-based payment expense has been recognised at 30 June 2021.

[2] – 5,340,075 2020B Performance Rights were deemed to have met their performance conditions (as outlined below) during the year. The 2020B Performance Rights were converted to fully paid ordinary shares on 7 July 2021. In accordance with AASB 2, the remaining share-based payment expense has been recognised at 30 June 2021.

The performance/vesting conditions of the respective tranches of Performance Rights are outlined below.

2020A/2020B Performance Rights

The 2020A and 2020B performance rights shall vest on the later date to occur of:

a) the date when the milestones shown in the table below are met; and

Performance / Vesting Condition and Performance Period	Extent to which Performance Rights vest
Automatically vest upon the Company announcing a JORC compliant Mineral Resource of at least 500,000 ounces.[1]	50%
Automatically vest upon the Company announcing a JORC compliant Mineral Resource of at least 1,000,000 ounces.[2]	50%

[1] – 1,830,780 2020A Performance Rights and 3,904,987 2020B Performance Rights were deemed to have met their performance conditions (as outlined below) during the year. The 2020A Performance Rights were converted to fully paid ordinary shares on 7 July 2021. In accordance with AASB 2, the remaining share-based payment expense has been recognised at 30 June 2021.

[2] – No share based payment expense has been recognised for performance rights associated with this milestone.

b) the date when the holder gives a notice to the Company confirming that the holder would like the Performance Rights to vest.

The performance rights issued are subject to non-market vesting conditions. The performance rights were valued based upon the share price at the deemed grant date.

Tranche	Grant Date	Number of Instruments	Valuation at grant date
2020A	16-Jun-20	3,661,560	$0.125
2020B	23-Jun-20	7,809,973	$0.15

2020C LTI Performance Rights

The 2020C LTI Performance Rights which do not meet the performance/vesting conditions by the end of the performance period will automatically lapse. The following performance and vesting conditions apply:

Performance/Vesting Condition and Performance Period	% Vesting
Continuous employment with the Company until 30 June 2022 and:	
Total Shareholder Return < 10% p.a.	0%
Total Shareholder Return = 10% p.a.	33%
10% < Total Shareholder Return ≤ 20% p.a.	33% to 100%
Total Shareholder Return ≥ 20% p.a.	100%

Where for the purposes of the above table:

- **Total Shareholder Return** is calculated in accordance with the following formula:

$$\text{Total Shareholder Return (\%)} = \left(\frac{\text{SP End}}{\text{SP Start}} \right) - 1$$

- **SP End** means the volume weighted average price of fully paid ordinary shares of the Company trading on the ASX on the 30 trading days prior to 30 June 2022.
- **SP Start** means the volume weighted average price of fully paid ordinary shares of the Company trading on the ASX on the 30 trading days prior to 1 January 2020.

The performance rights issued are subject to both market and non-market vesting conditions. The performance rights were valued using the Hoadley's Hybrid ESO Model (a Monte Carlo simulation model) with implied share price targets for the performance rights.

2020D LTI Performance Rights

The 2020D LTI Performance Rights which do not meet the performance/vesting conditions by the end of the performance period will automatically lapse. The following performance and vesting conditions apply:

Performance/Vesting Condition and Performance Period	% Vesting
Continuous employment with the Company until 30 June 2022 and:	
Total Shareholder Return < 10% p.a.	0%
Total Shareholder Return = 10% p.a.	33%
10% < Total Shareholder Return ≤ 20% p.a.	33% to 100%
Total Shareholder Return ≥ 20% p.a.	100%

Where for the purposes of the above table:

- **Total Shareholder Return** is calculated in accordance with the following formula:

$$\text{Total Shareholder Return (\%)} = \left(\frac{\text{SP End}}{\text{SP Start}}\right) - 1$$

- **SP End** means the volume weighted average price of fully paid ordinary shares of the Company trading on the ASX on the 30 trading days prior to 30 June 2022.
- **SP Start** means the volume weighted average price of fully paid ordinary shares of the Company trading on the ASX on the 30 trading days prior to 1 July 2020.

The performance rights issued are subject to both market and non-market vesting conditions. The performance rights were valued using the Hoadley's Hybrid ESO Model (a Monte Carlo simulation model) with implied share price targets for the performance rights.

Tranche	Grant date	Number of Instruments	Valuation at grant date
2020C LTI	15-Jul-20	2,382,216	$0.1049
2020D LTI	6-Oct-20	5,760,517	$0.1218

(d) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year as part of share-based expense were as follows:

	2021 **$**	2020 $
Recognised in Statement of Profit or Loss		
Performance rights issued to directors and employees (current and prior year)	1,446,999	9,828
Options issued to director (issued in prior year)	33,056	67,046
Options issued to consultant	117,158	-
	1,597,213	76,874
Recognised in Statement of Financial Position (Assets and/or Equity)		
Options issued to advisors	307,225	96,412
Shares issued as consideration for extinguishment of royalty[1]	228,571	-
	535,796	96,412
	2,133,009	173,286

Includes share-based payment consideration, in which the value of share-based payment consideration is subject to the provisions of AASB Interpretation 19 – Extinguishing Financial Liabilities with Equity Instruments.

[1] - On 6 August 2020, the Company issued 1,142,588 ordinary shares at a deemed issue price of $0.175 per share (nominal value of AUD$200,000) to eliminate a third-party royalty held over tenement M15/633 of the Mandilla Gold Project. The royalty entitled the holders to receive $1 per tonne of gold ore mined and treated from M15/633.

23. Contingent liabilities

The Group has given a bank guarantee at 30 June 2021 of $13,365 (2020: bank guarantees of $51,365) (refer to Note 9).

24. Commitments

(a) Exploration expenditure

In order to maintain mining tenements, the economic entity is committed to meet the prescribed conditions under which tenements were granted. These commitments may be met in the normal course of operations by future capital raisings and/or farm-out and under certain circumstances are subject to the possibility of adjustment to the amount and timing of such obligations or by tenement relinquishment.

30 June 2021	Mandilla $	Feysville $	Koongie Park[1] $	Other $	Total $
Exploration expenditure commitments					
Payable:					
Not later than 12 months	139,936	22,116	-	42,932	204,983
Between 12 months and 5 years	512,400	24,760	-	32,164	569,325
Greater than 5 years	398,115	-	-	-	398,115
Total	**1,050,450**	**46,876**	**-**	**75,096**	**1,172,423**

[1] – *Expenditure commitments relating to Koongie Park are to be met by AuKing Mining Limited, in accordance with the terms of the Joint Venture Agreement.*

30 June 2020	Mandilla $	Feysville $	Koongie Park $	Other $	Total $
Exploration expenditure commitments					
Payable:					
Not later than 12 months	148,100	74,313	368,454	50,000	640,867
Between 12 months and 5 years	524,236	50,236	693,187	75,096	1,342,754
Greater than 5 years	526,214	-	315,034	-	841,248
Sub-total	**1,198,550**	**124,549**	**1,376,675**	**125,096**	**2,824,870**

25. Related party transactions

(a) Key management personnel

Disclosures relating to compensation of key management personnel are set out in Note 22 and in the Remuneration Report included in the Directors' Report. Key management personnel covered in this report are listed below in Figure 19 and Figure 20.

Figure 19: Directors (executive and non-executive)

Name	Position
Mr Leigh Warnick	Chairman (from 23 December 2019)
Mr Marc Ducler	Managing Director (from 23 December 2019)
Mr John Jones	Executive Chairman (1 July 2019 to 22 December 2019) Non-Executive Director (from 23 December 2019)
Mr Peter Stern	Non-Executive Director
Mr David Varcoe	Non-Executive Director (from 28 November 2019)
Mr Graeme Smith	Non-Executive Director (to 23 December 2019)
Mr Andrew Barclay	Non-Executive Director (13 December 2019 to 23 December 2019)
Mr Matthew Hardisty	Non-Executive Director (13 December 2019 to 23 December 2019)
Mr David Sanders	Non-Executive Director (27 November 2019 to 28 November 2019)

Figure 20: Other key management personnel

Name	Position
Jed Whitford	General Manager Projects & Business Development (from 13 January 2020)
Brendon Morton	Chief Financial Officer & Company Secretary (from 24 December 2019)
Julie Reid	Geology Manager (from 2 January 2020)

(b) Compensation of KMP

The aggregate compensation paid to directors and other members of key management personnel of the Group is set out below:

	2021 $	2020 $
Short-term employee benefits	1,125,007	646,844
Post-employment long term benefits	86,977	33,371
Share based payments	1,169,130	74,820
Total	**2,381,114**	**755,035**

As required by Corporations Regulation 2M.3.03, information regarding individual Directors' and Executives' compensation and equity instrument disclosures is provided in the Remuneration Report section of the Directors' Report.

During the current period, 6,321,790 performance rights were awarded to key management personnel. See Note 22 and the Remuneration Report for further details of these related party transactions.

<u>Issue of Performance Rights</u>

During the year, the following securities were issued to key management personnel:

Tranche	Class of Securities	Recipient	Grant Date	Number of Securities	Exercise Price	Expiry Date
2020C LTI	Director performance rights	Marc Ducler	15-Jul-20	2,382,216	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	30-Jun-22
2020D LTI	Employee / consultant performance rights	Jed Whitford	6-Oct-20	1,492,576	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	30-Jun-22
2020D LTI	Employee / consultant performance rights	Brendon Morton	6-Oct-20	1,372,343	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	30-Jun-22
2020D LTI	Employee / consultant performance rights	Julie Reid	6-Oct-20	1,074,655	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	30-Jun-22

[1] Refer to Note 22 for further details with regards to performance rights issued during the period

(c) Compensation by category of KMP

Consulting fees were paid to directors, with the exception of Mr John Jones who elected to receive his non-executive director fees as a salary from 1 July 2020. Details of the remuneration of directors is included in the Remuneration Report contained in the Directors' Report.

Salaries were paid to all other key management personnel, details of which are included in the Remuneration Report contained in the Directors' Report.

(d) Loans to/from related parties

There were no loans to or from key management personnel outstanding at 30 June 2021 (2020: nil).

(e) Other transactions and balances with related parties

The following transactions occurred with related parties are summarised below:

	2021 **$**	2020 $
Payment for goods and services	50,000	496,161
Payment for legal settlement	-	10,000
Equity settlement of legal settlement	-	70,000
Receipts for goods and services	-	28,605

The summary above is inclusive of the following transactions with related parties.

Metropolis Pty Ltd, a company of which Peter Stern is a Director, received $50,000 excluding GST (2020: $105,000) during the year for non-executive directors fees, of which $12,500 related to fees owing at 30 June 2020. An amount of $12,500 was invoiced but unpaid at 30 June 2021 (2020: $12,500).

There were no other transactions and outstanding balances with key management personnel for the year ended 30 June 2021 that are not already included in the Remuneration Report contained in the Directors' Report.

There were no other transactions and outstanding balances with other related parties for the year ended 30 June 2021.

26. Interests in Subsidiaries

(a) Parent entities

Anglo Australian Resources NL is the ultimate Australian parent entity.

(b) Subsidiaries

The consolidated financial statements include the financial statements of Anglo Australian Resources NL and the subsidiaries listed in the following table.

	2021		2020		
	Country of Incorporation	% Equity Interest	Country of Incorporation	% Equity Interest	Principal Activity
Mandilla Gold Pty Ltd	Australia	100	Australia	100	Operating subsidiary
Feysville Gold Pty Ltd	Australia	100	Australia	100	Operating subsidiary
Koongie Park Gold Pty Ltd	Australia	100	Australia	100	Operating subsidiary
Koongie Park Pty Ltd [1]	Australia	100	-	-	Operating subsidiary

[1] – Incorporated on 8 October 2020.

27. Auditor's remuneration

	2021 **$**	2020 $
Audit Services		
Amounts received or due and receivable by BDO Audit (WA) Pty Ltd - An audit and review of the financial reports of the Group (including subsidiaries)	38,960	20,284
Amounts received or due and receivable by Elderton Audit Pty Ltd - An audit and review of the financial reports of the Group (including subsidiaries)	-	23,700
Non-Audit Services		-
Total	38,960	43,984

28. Events after the reporting date

Date	Details
26-August-2021	Announcement of updated Mineral Resource Estimate, an increase of 33% to 665,000oz of contained gold.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matters or circumstances have arisen since the end of the 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 in future financial years.

29. Parent entity information

The following details information related to the parent entity, Anglo Australian Resources NL, as at 30 June 2021. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	2021 $	2020 $
Current assets	9,842,392	3,709,822
Non-current assets	13,341,553	8,415,049
Total assets	23,183,945	12,124,871
Current liabilities	535,290	527,111
Non-current liabilities	91,008	108,145
Total liabilities	626,298	635,256
Net assets	**22,557,647**	**11,489,614**
Contributed equity	56,409,068	43,575,908
Reserves	2,922,820	1,089,936
Accumulated losses	(36,774,241)	(33,176,229)
Total equity	**22,557,647**	**11,489,614**
Loss after income tax *	(3,437,159)	(2,735,090)
Other comprehensive income/ (loss) for the period	(3,437,159)	(2,735,090)
Total comprehensive loss for the period	**(3,437,159)**	**(2,735,090)**

* Includes an impairment charge of $160,853 (2020: $256,014).

Commitments

The parent entity has $1,125,547 (2020: $2,700,322) of commitments relating to minimum exploration expenditure on its various tenements at financial year end.

Guarantees

The parent entity has given a bank guarantee of $13,365 as at 30 June 2021 (2020: bank guarantees of $51,365) (refer to Note 9).

Director's Declaration

In the Directors' opinion:

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

- (i) comply with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- (ii) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the period ended on that date of the Group; and
- (iii) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in Note 1 to the financial statements.

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

The Directors have been given the declarations by the Managing Director and the Chief Financial Officer as required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by;

Marc Ducler
Managing Director

Perth, Western Australia
22 September 2021

ASX Additional Information

Additional information required by the ASX Listing Rules not disclosed elsewhere in this Annual Report is set out below.

1. Shareholdings

The issued capital of the Company as at 31 August 2021 is 596,179,239 ordinary fully paid shares and 13,500,000 unlisted options (details below). All issued ordinary fully paid shares carry one vote per share.

Ordinary Shares

Shares Range	Holders	Units	%
1-1,000	74	15,641	0.00%
1,001-5,000	82	262,516	0.04%
5,001-10,000	426	3,461,726	0.58%
10,001-100,000	977	37,859,399	6.35%
100,001 and above	463	554,579,957	93.02%
Total	**2,022**	**596,179,239**	**100.00%**

Unmarketable parcels

There were 266 holders of less than a marketable parcel of ordinary shares.

2. Top 20 Shareholders as at 31 August 2021

#	Name	Number of shares	%
1	Porter Street Investments Pty Ltd	63,949,616	10.73%
2	Braham Consolidated Pty Ltd	30,844,420	5.17%
3	Braham Investments Pty Ltd <Braham Staff Super Fund A/C>	26,366,904	4.42%
4	ACN 106 966 401 Pty Ltd	24,720,588	4.15%
5	HSBC Custody Nominees (Australia) Limited	23,645,145	3.97%
6	Mr Peter Andrew Stern	17,166,667	2.88%
7	S Loader Pty Ltd <S Loader Superfund A/C>	17,161,105	2.88%
8	Citicorp Nominees Pty Limited	11,359,897	1.91%
9	Mr Graeme Ian Smith	11,200,000	1.88%
10	Brazil Farming Pty Ltd	11,000,000	1.85%
11	C Thwaites Pty Ltd <C Thwaites Superfund A/C>	9,460,400	1.59%
12	El-Raghy Kriewaldt Pty Ltd	7,000,000	1.17%
13	Mr Matthew Lloyd Haddon	6,582,827	1.10%
14	D & P Buckley Pty Ltd <D & P Buckley Superfund A/C>	5,513,829	0.92%
15	Mrs Angela Orsaris & Mr Joseph Christopher Marsili <Chocolate Forever Sf A/C>	5,254,837	0.88%
16	Mrs Sabina Fontana	4,652,956	0.78%
17	M & R Haddon Pty Ltd <M & R Haddon Superfund A/C>	4,433,264	0.74%
18	Valbonne II	4,000,000	0.67%
19	Teringa George Pty Ltd <M&N Granter Superfund A/C>	3,956,723	0.66%
20	M & A Isaacs Pty Ltd <Isaacs Superfund A/C>	3,948,263	0.66%
	Total Top 20	292,217,441	49.01%
	Total remaining holders balance	303,961,798	50.99%
	Total	**596,179,239**	**100.00%**

3. Unquoted securities

There are 13,500,000 unlisted options over shares in the Company as at 31 August 2021 as follows:

Tranche	Grant date	Expiry date	Exercise price	number
E	2-Dec-19	27-Nov-22	$0.135	1,000,000
F	2-Dec-19	27-Nov-22	$0.135	1,000,000
G	2-Dec-19	27-Nov-22	$0.135	1,000,000
H	6-Aug-20	31-Dec-21	$0.133	1,250,000
I	6-Aug-20	31-Dec-22	$0.15	1,250,000
J	9-Oct-20	9-Oct-22	$0.213	2,000,000
K	15-Sep-20	31-Dec-22	$0.34	6,000,000
Total unquoted options on issue				**13,500,000**

There are 16,507,649 performance rights on issue as at 31 August 2021 as follows:

Tranche	Class of Securities	Grant Date	Exercise Price	Expiry Date	Number of Securities
B	Director performance rights (2020A)	23-Jun-20	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	23-Jun-24	1,830,780
D	Employee / consultant performance rights (2020B)	23-Jun-20	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	23-Jun-24	5,340,074
E	Director performance rights (2020C LTI)	15-Jul-20	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	30-Jun-22	2,382,216
F	Employee / consultant performance rights (2020D LTI)	6-Oct-20	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	30-Jun-22	5,760,517
G	Employee / consultant performance rights (2020D LTI)	31-May-21	Nil – performance rights vest and are converted to ordinary shares on achievement of performance conditions	30-Jun-22	1,194,062
Total performance rights on issue					**16,507,649**

The names of the security holders holding more than 20% of an unlisted class of security are listed below:

Security	Exercise Price	Number of options	Number of holders	Holders with > 20%
Options expiring 27 November 2022	$0.135	3,000,000	1	David John Varcoe
Options expiring 31 December 2021	$0.133	1,250,000	1	CG Nominees (Australia) Pty Ltd
Options expiring 31 December 2022	$0.15	1,250,000	1	CG Nominees (Australia) Pty Ltd
Options expiring 9 October 2022	$0.213	2,000,000	1	Mr Edward John Baltis
Options expiring 31 December 2022	$0.34	6,000,000	2	CG Nominees (Australia) Pty Ltd – 50% Circumference Capital Ct Pty Ltd – 50%
Total		**13,500,000**		

4. Voting rights

See Note 18 of the financial statements.

5. Substantial shareholders at 31 August 2021

Holder	Number of shares held	% of issued capital held	Date of last notice
John Load Cecil Jones / Porter Street Investments Pty Ltd	68,632,177	11.51%	6-Oct-20
Braham Investments Pty Ltd / Braham Consolidated Pty Ltd and Simon Anthony Richard Braham	57,211,324	9.60%	7-Oct-20

6. Restricted securities subject to escrow period

There are currently no securities on issue subject to escrow.

7. On-market buyback

There is currently no on-market buyback program for any of Anglo Australian Resources NL's listed securities.