Australasian Gold Limited

ACN 625 744 907

Annual Report

30 June 2021

Table of Contents

Corporate Directory

Directors	Dr Qingtao Zeng (Managing Director) Mr Rory McGoldrick (Non-Executive Chairman) Mr Graeme Fraser (Non-Executive Director)
Company Secretary	Mr Daniel Smith Mr Nicholas Ong
Registered Office	C/- Minerva Corporate Level 8, 99 St Georges Terrace Perth WA 6000
Principal Place of Business	Unit 34, 123B Colin Street West Perth, WA 6008
Website	www.australasiangold.com
Share Register	Computershare Investor Services Pty Ltd 72 St Georges Terrace Perth WA 6000
Solicitors	Atkinson Corporate Lawyers Level 8, 99 St Georges Terrace Perth WA 6000
Auditor	HLB Mann Judd (Victoria Partnership) Level 9/575 Bourke Street Melbourne VIC 3000
Stock Exchange Listing	Australasian Gold Limited shares (A8G) are quoted on the Australian Securities Exchange (ASX)

Letter from the Managing Director

It is my great pleasure to deliver our inaugural Annual Report as a listed company.

After a successful initial public offering of ~$5.51m, the Company was listed on ASX on 13 May, 2021.

Following the IPO, the Company quickly commenced ground exploration work at the May Queen gold project in Queensland. Exploration activities included a ground magnetic survey commissioned by Planetary Geophysics Pty Ltd and a detailed field mapping exercise; combined, these surveys have helped establish that there is a potential correlation between magnetic anomalies and high-grade gold mineralisation. With the guidance of the ground magnetic survey data, on 17 June 2021, the Company's maiden diamond drilling program commenced at May Queen. The program consisted of 5 holes for a combined ~1,000 metres, designed to test down-dip and strike extensions, as well as the potential for parallel structures.

At the Mt Clermont Project, the Company is continuing with the re-processing of all the available historical data as part of the prioritisation of targets for a maiden drilling program. On 7 June 2021, the Company announced that it had entered into a binding tenement sale and purchase agreement to acquire a 100% interest in the Capella gold project (EPM 25956) from Cape Coal Pty Ltd. The Capella gold project is strategically located around 10km south from the Company's Mt Clermont polymetallic project. Through the acquisition which completed on 6 September 2021, the Company's land holding increased by 50% in the highly prospective Clermont goldfield. The Capella gold project is situated on 100% exclusive land with no Native Title.

Our Western Australian project, the Fairview Project, Exploration application (ELA08/3248) is well advanced in the permitting system, with grant expected in the December quarter.

In addition, the Board and management team are actively pursuing new opportunities with our significant collective experience and expertise in mineral exploration and corporate finance.

The Company is very grateful for the support all shareholders and we looking forward to you sharing in what we believe are exciting and prospective time ahead of the Company.

Dr Qingtao Zeng
Managing Director

Directors' Report

The directors present their report on the consolidated entity (referred to herein as the "the Group", or "consolidated entity") consisting of Australasian Gold Limited ("the Company" or "Australasian Gold") and its controlled entity for the year ended 30 June 2021.

Directors

The following persons were directors of Australasian Gold Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Dr Qingtao Zeng – Managing Director
Rory McGoldrick – Non-Executive Chairman
Graeme Fraser – Non-Executive Director

Particulars of each Director's experience and qualifications are set out later in this report.

Operating and Financial Review

Nature of Operations and Principal Activities

During the financial year, the principal continuing activities of the consolidated entity consisted of:

- The Company successfully raised $5.51m before costs through the issue of 27,564,940 shares at $0.20 during the financial year and listed on the Australian Securities Exchange on 13 May 2021.
- Commenced exploration activities at the consolidated entity's mining tenements predominately situated in Queensland, Australia, including the commencement of a maiden diamond drilling program at May Queen.

Financial Performance

The Group's loss after tax for the year ended 30 June 2021 was $966,949 (2020: loss of $64,038).

Financial Position
An analysis of the significant movements in Statement of Financial Position line items is provided below:

Cash and Cash Equivalents
As at 30 June 2021 the Group had cash reserves of $5,243,265, an increase of $5,070,736 from 30 June 2020.

Trade and other receivables
Trade and other receivables increased by $36,055 since 30 June 2020.

Total liabilities
Total liabilities have increased by $172,384 since 30 June 2020.

Directors' Report (cont.)

The movement in contributed equity since 30 June 2020 is shown below:

	$	*No.*
Ordinary shares		
1 July 2020	594,555	6,000,001
Issued capital	6,642,488	39,564,940
Share capital raising costs	(587,858)	-
30 June 2021	**6,649,185**	**45,564,941**

Reserves

Reserves have increased by $669,000 since 30 June 2020 as a result of ASX listing and capital raising costs expensed in the year (note 12).

Corporate

ASX Listing

The Group successfully listed on ASX on 13 May 2021 following a $5.51m capital raising before costs.

Review of Operations

May Queen gold project, Queensland (100%)

The May Queen gold project comprises granted tenement Exploration Permits for Minerals EPM 19419 and adjacent application EPM 27746, located within the Brovinia goldfield in Queensland, approximately 225 km by road south-west of the nearest regional port at Bundaberg and 375 km by road from Brisbane (**Figure 1**). It covers free-hold land with no Native Title claim.

Figure 1: *May Queen project location*

Directors' Report (cont.)

Geophysical survey

In June 2021, a ground magnetic survey was undertaken at May Queen, which identified an intense magnetic anomaly of approximately 500x400m in dimension.

Geological mapping at May Queen has long established a relationship between gold and magnetite mineralisation, particularly in the limited surface exposure of breccia, skarn and quartz veining (**Figure 3**). These features are generally restricted to narrow veins (<2m in width) with gabbro and marly shales between veins showing no appreciable magnetite mineralisation. The intensity and consistency of the magnetic anomaly shown by this survey is at odds with these observations and is suggestive of a more pervasive magnetite-related mineralisation which may carry associated gold and copper mineralisation.

Also observed in the survey data is a number of weak NW-SE trends which explain the same trend that has been the driving geological feature behind the previous drilling (**Figure 2**). These parallel structures have the potential to host similar mineralisation to that revealed by previous drill programs.

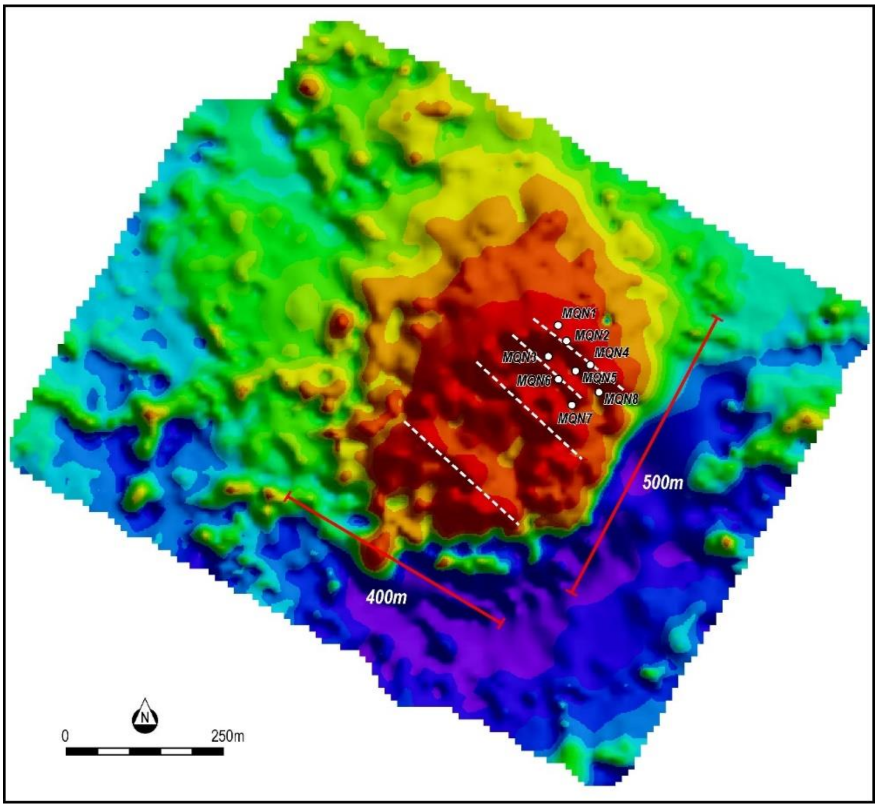

Figure 2: *Ground magnetic survey and interpretation in May Queen area, the location of the map is marked in Figure 3. The white grid lines are the interpreted lineation structures, the two northern structures have been tested with drilling and surface working showing high grade shallow gold mineralization*

Directors' Report (cont.)

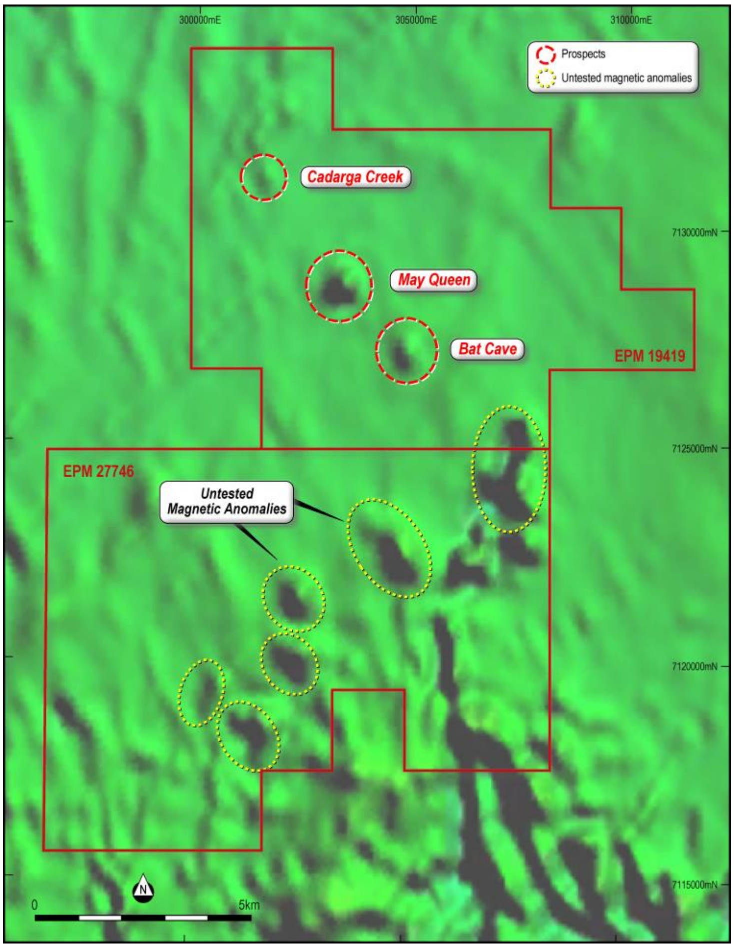

Figure 3*: Regional Magnetics covering May Queen and May Queen South prospects*

Maiden drill program

On 14 July 2021, the Company announced that the 5-hole 1,000m diamond drilling (DD) program had completed at May Queen. The DD had great core recovery and provided clear information on structure and structural controls at may Queen.

Table 1: DD hole locations

Hole ID	EAST	NORTH	RL	Azim GDA	Dip	End of Hole (m)
MQD0001	303505	7128699	260	65	-60	73.7
MQD0002	303489	7128692	260	65	-60	152.0
MQD0003	303517	7128673	260.5	65	-60	153.3
MQD0004	303487	7128692	260	245	-75	105.6
MQD0005	303544	7128717	259	65	-60	228.2

MQD0001 is designed to verify the mineralised structures under the historical high grade intersection (BPH015) and it intercepted the target and core photo is shown in **Figure 4**. In-house geological interpretation has started. Current logging has identified several sections of potential mineralisation waiting for assay to confirm with intensive potassium feldspar alteration along with sericite, calcite, and sulphides with minor silica alteration.

Directors' Report (cont.)

Hole MQD0005 was drilled to test previously reported 1 m at 0.6 g/t gold and 1.3% copper results of MQN02 from 46 m down dip. It intercepted a unit of sediments from 150m to 193m with visible sulphide disseminated and in veinlets with calcite, chlorite, sericite and propylitic alterations.

Figure 4: *Diamond core from 35 m to 45.5m of Hole MQD0001in the May Queen gold project*

Mt Clermont project, Queensland (100%)

The Mt Clermont gold project lies within the Anakie Province of the Drummond Basin which is composed of a sequence of Devonian to Carboniferous volcanics and sediments in Central Queensland, approximately 60 km by road north-west of the town of Emerald. Over 6,700m of historical drilling has been completed, showing potential for a high-grade polymetallic epithermal system. Future exploration will focus on exploring for further sulphide lenses along the major Retro fault system.

The Group is continuing with the re-processing of all the available historical data relating to the Mt Clermont polymetallic project as part of the prioritisation of targets for a maiden drilling program.

Fairview Project, Western Australia (100%)

The Fairview gold project lies within the Pilbara Granite-Greenstone Complex in the northwest of Western Australia. The exploration target is structurally similar to the Mt Clement deposit (less than 5 km to the south-east) and the Paulsens Gold Mine, operated by Northern Star Limited (ASX:NST) (around 30 km to the northwest).

Exploration application (ELA08/3248) is well advanced in the permitting system, with grant expected early in the December quarter.

Directors' Report (cont.)

Capella Gold Project, Queensland (acquiring 100% and settled on 6 September 2021)

On 7 June 2021, Australasian announced that it had entered into a binding tenement sale and purchase agreement (SPA) to acquire a 100% interest in the Capella gold project (EPM 25956) from Cape Coal Pty Ltd (**Acquisition**). The Capella gold project is strategically located around 10km south from the Group's Mt Clermont polymetallic project (**Figure 5**). Through the Acquisition, the Group's land holding will increase by 50% in the highly prospective Clermont goldfield. The Capella gold project is situated on 100% exclusive land with no Native Title.

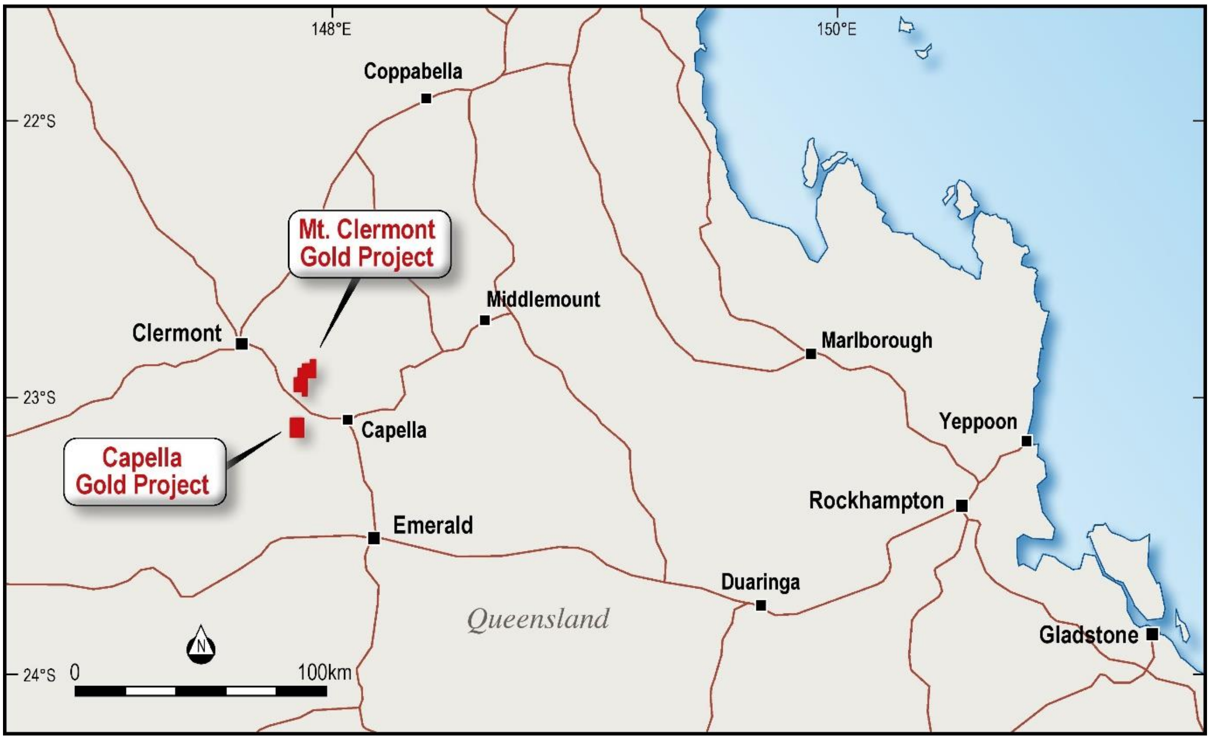

Figure 5: *Mt Clermont project tenement holding and location.*
The Capella gold project is located to the south of the Mt Clermont project, Central Queensland

Mt Peake Lithium project, Northern Territory

Following financial year end, on 25 August 2021 the Company announced that it had applied for an exploration license in the Anningie pegmatite province (ELA32830). ELA32830 is located in Mt Peake area of the Anningie Tin-Tantalum-Pegmatite fields in the north Arunta Region of the NT. The area is considered highly prospective for hard rock lithium mineralization. ELA32830 covers over 640km2 and shares a boundary with Core Lithium Limited's (ASX:CXO) Anningie lithium project (**Figure 6**).

The Mount Peake Lithium project is located within the Northern Arunta pegmatite province approximately 200km north of Alice Springs and 250km south of Tennant Creek along the Stuart Highway in the Northern Territory.

Previous Exploration
The Anningie tin field, covering the Group's license application, has historically been explored for tin/tantalite since 1935. While regional mapping of the district has been carried out by the Northern Territory Geological Survey, the area covered by ELA32830 is essentially unexplored. In 1965, a mineralogy examination of a Li-bearing pegmatite in the Anningie Tin field was conducted, with lepidolite (Li-bearing mica) and spodumene identified in a thin section study (Pontifex, 1965).

Directors' Report (cont.)

Upcoming Exploration

At the Mount Peake pegmatite field, the Group will shortly conduct field reconnaissance and geological mapping using the 1:250,000 scale Mt Peake geological map. In the meantime, the Group is exploring innovative techniques, like remote sensing interpretation, to narrow down pegmatite outcrop which could be potential hosts of lithium mineralisation.

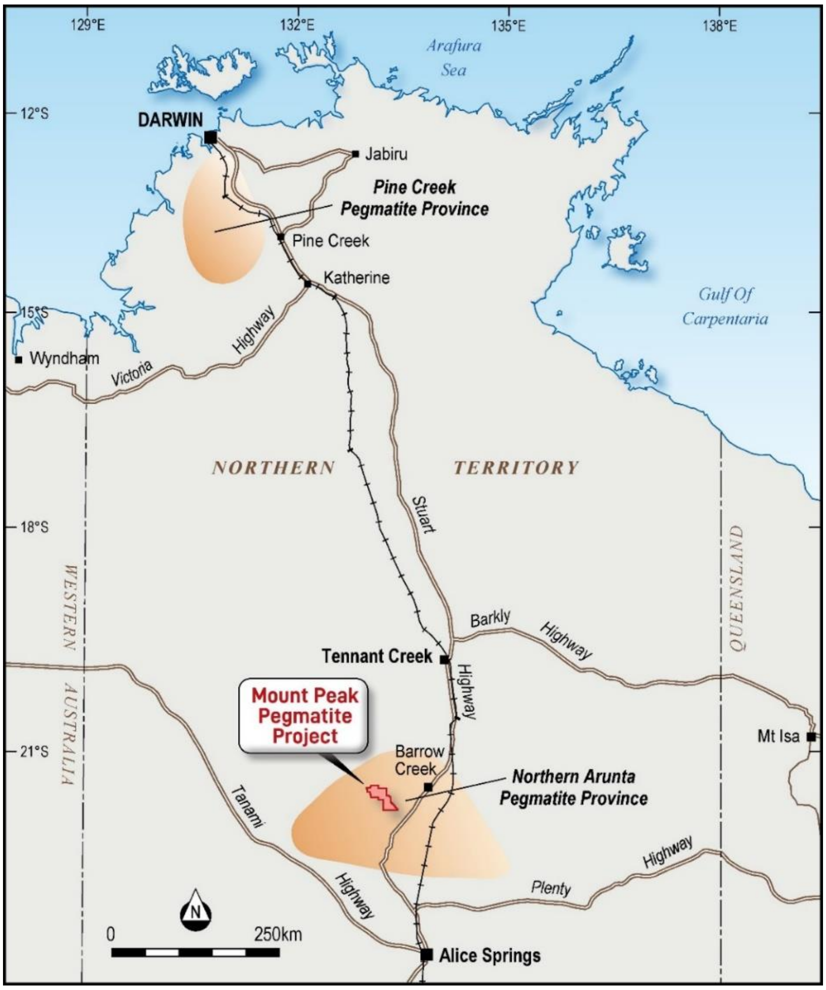

Figure 6*: Project location in the Northern Arunta Pegmatite provinces of the Northern Territory (KM Frater, 2005)*

Covid-19 Response

The Group continues to proactively manage the potential impact of the Covid-19 global pandemic on the Group's operations. While the financial impact on the Group up to 30 June 2021 has been negligible, it is impracticable to estimate the potential impact after the reporting date. The situation is dependent on measures imposed by governments at jurisdictions in which the Group operates. No other matter or circumstances has arisen since 30 June 2021 that has significantly affected or may significantly affect the Group's operations in future financial years, other than detailed in this report.

Annual Statement of Mineral Resources and Ore Reserves

The Group does not have any Mineral Resources or Ore Reserves.

Directors' Report (cont.)

Competent Persons Statement

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Dr Qingtao Zeng, Managing Director of Australasian Gold Limited. Dr Zeng is a member of the Australasian Institute of Mining and Metallurgy and he has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which has been 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". Dr Zeng consents to the inclusion in this release of the matters based on the information in the form and context in which they appear. Dr Zeng is a shareholder of Australasian Gold Limited.

Significant Changes in the State of Affairs

The Group closed the IPO and Prospectus on 1 April 2021 and successfully listed on the Australian Securities Exchange (ASX) on 13 May 2021 following the capital raising of $5.51 million before costs. Other than these issues, there were no other significant changes to the state of affairs of the Group.

Dividends Paid or Recommended

The Group did not pay any dividend during the financial year ended 30 June 2021 and no dividend is recommended.

Options and Rights

At the date of this report, the unissued ordinary shares of the Group under options are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
11/12/2020	31/01/2023	$0.30	1,000,000
27/01/2021	05/05/2023	$0.30	2,000,000
29/01/2021	05/05/2023	$0.30	1,000,000
22/02/2021	05/05/2023	$0.30	2,000,000

3,500,000 performance rights with expiry date of 5 May 2023 were granted during the year ended 30 June 2021 for which will convert into shares upon meeting certain stated hurdles (i.e. completion of the Group's first drilling program and the volume weighted average price of the Group's shares being equal to or greater than 30 cents, achieving a JORC or NI 43-101 compliant resource of certain grades). The fair value was estimated to be $161,860.

Options and performance rights holders do not have any rights to participate in any issues of shares or other interests of the Group or any other entity.

There have been no options granted over unissued shares or interests of any controlled entity within the Group since the end of the financial period other than detailed above.

During the year ended 30 June 2021, no shares were issued on the exercise of options granted.

No person entitled to exercise an option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

The options and performance rights granted during the year ended 30 June 2021 have been brought to account in these financial statements in the share option reserve.

Directors' Report (cont.)

Events Subsequent to the End of the Financial Period

On 30 July 2021, Australasian issued 500,000 shares at $0.20 per share as the consideration to acquire the Capella Gold Project. The Group announced that it had entered into a binding tenement sale and purchase agreement (SPA) to acquire a 100% interest in the Capella gold project (EPM 25956) from Cape Coal Pty Ltd on 7 June 2021. The Capella gold project is strategically located around 10km south from the Group's Mt Clermont polymetallic project. Through the Acquisition, the Group's land holding will increase by 50% in the highly prospective Clermont goldfield. The Capella gold project is situated on 100% exclusive land with no Native Title.

On 25 August 2021, the Group announced that it had applied for an exploration license in the Anningie pegmatite province (ELA32830). ELA32830 is located in Mt Peake area of the Anningie Tin-Tantalum-Pegmatite fields in the north Arunta Region of the NT. The area is considered highly prospective for hard rock lithium mineralization.

Except for the above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Likely Developments and Expected Results of Operations

Likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations, not otherwise disclosed in this report, have not been included as the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.

Environmental Regulations

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State Law as it is still in exploration stage.

Directors' Report (cont.)

Information Relating to Directors and Company Secretary

Dr Qingtao Zeng
Managing Director

Dr Zeng completed a PhD in geology at the Centre of Exploration Targeting (CET) of University of Western Australia in 2013. He has been engaged as a consulting geologist, principally working with Eldorado Gold Limited CSA Global China and Australia and has a range of geological and commercial specialties. Since 2015, Dr Zeng has been extensively involved in the lithium exploration and corporate transactions through his strong network of contacts throughout Asia. Dr Zeng has published several academic papers on orogenic gold or structure control gold geological studies and is a member of AusIMM and Society of Economic Geologist (SEG).

Interest in Shares, Options and Performance Rights
6,850,000 ordinary shares
2,000,000 options
3,500,000 performance rights

Directorships held in other listed entities during the three years before the end of the financial year

MetalsTech Limited (ASX: MTC)	June 2019 – present
Kodal Minerals (LON: KOD)	November 2017 – present

Graeme Fraser
Non-Executive Director

Mr Graeme Fraser holds a BSc (Hons) from the University of Melbourne and since graduation has gained 20 years of international experience in the mining industry with a strong focus on gold. Graeme has been a member of AusIMM.

Having held a combination of exploration, mine production and corporate positions, Graeme has gained a well-rounded and extensive knowledge of multiple geological styles and the mining industry in general.

As Exploration Manager for Eldorado Gold at their Tanjianshan Project in China, Graeme led a small team of local staff to the discovery of the "323 zone", a previously unknown area of mineralisation. The 323 zone is still being subject to resource definition drilling today by the new owners (Beijing Yintai group) and is proving to be a world class deposit.

Interest in Shares and Options
150,000 ordinary shares
500,000 options

Directorships held in other listed entities during the three years before the end of the financial year
None

Directors' Report (cont.)

Rory McGoldrick
Non-executive Chairman

Rory McGoldrick is a qualified lawyer and holds a Bachelor of Laws from the University of Western Australia. Mr McGoldrick has advised public companies on a wide range of corporate matters for over 15 years, and has broad experience in Corporations Act and ASX Listing Rules compliance, corporate governance matters, capital raising and acquisitions.

Mr McGoldrick has broad experience in the energy and resources sector, working on a range of corporate transactions as a lawyer and as an advisor. He assisted with the early stage development of a number of mining and energy projects within Europe since 2010. He holds board positions for a number of unlisted companies in the energy sector.

Interest in Shares and Options
400,000 ordinary shares
500,000 options

Directorships held in other listed entities during the three years before the end of the financial year
None

Daniel Smith
Company Secretary (appointed 14 December 2020)

Mr Smith has 13 years' experience in financial markets, including 10 years' experience with listing rules compliance and corporate governance. Dan is a fellow member of the Governance Institute of Australia and holds a Bachelor of Arts in International Relations from Curtin University.

Mr Smith acts as company secretary for numerous ASX listed companies.

Nicholas Ong
Joint Company Secretary (appointed 14 December 2020)

Mr Ong brings 16 years' experience in IPOs, listing rules compliance and corporate governance. Nicholas is a fellow member of the Governance Institute of Australia and holds a Bachelor of Commerce and a Master of Business Administration from the University of Western Australia.

Mr Ong works as company secretary for numerous ASX listed companies.

Directors' Report (cont.)

Meetings of Directors

During the financial year, 3 meetings of Directors were held. Attendance by each Director during the year was as follows:

	Board Meetings	
	Number eligible to attend	**Number attended**
Dr Qingtao Zeng	3	3
Graeme Fraser	3	3
Rory McGoldrick	3	3

No Separate audit and risk committee and nomination and remuneration committee meetings were held. Issues relating to audit and risk committee and nomination and remuneration and committee were discussed at the board meetings.

Directors' Report (cont.)

Remuneration Report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of *the Corporations Act 2001* and its Regulations. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

Remuneration Policy

The remuneration policy of the Group has been designed to align key management personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of the Group believes the remuneration policy to be appropriate and effective in its ability to attract and retain high-quality KMP to run and manage the Group, as well as create goal congruence between Directors, executives and shareholders.

For the purposes of this report, KMP comprises executive and non-executive Directors of the Group, as follows:

Rory McGoldrick – Non-Executive Chairman
Graeme Fraser – Non-Executive Director
Dr Qingtao Zeng – Managing Director

The Board's policy for determining the nature and amount of remuneration for KMP of the Group is based on the following:

- The remuneration policy is to be developed and approved by the Board after professional advice, if required, is sought from independent external consultants.
- All KMP receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits and performance incentives.
- Performance incentives are generally only paid once predetermined key performance indicators (KPI's) have been met.
- Incentives paid in the form of options or rights are intended to align the interests of the KMP and Group with those of the shareholders. In this regard, KMP are prohibited from limiting risk attached to those instruments by use of derivatives or other means.
- The Board reviews KMP packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

The performance of KMP is measured against criteria agreed generally six monthly with each executive and is based predominantly on the forecast growth of shareholders' value or mining resources under management. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes at any time. Any change must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance results leading to long-term growth in shareholder wealth.

Directors' Report (cont.)

Non-executive Director Remuneration

The Board's policy is to remunerate non-executive Directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The current amount has been set at an amount not to exceed $200,000 per annum. The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by shareholders at general meeting.

KMP are also entitled and encouraged to participate in the employee share and option arrangements to align Directors' interests with shareholders' interests.

Options granted under the arrangement do not carry dividend or voting rights. Each option is entitled to be converted into one ordinary share once the interim or final financial report has been disclosed to the public and is measured using the Black–Scholes methodology.

Executive Remuneration

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

Performance-based Remuneration

KPI's are set either six monthly or annually, with a certain level of consultation with KMP. The measures are specifically tailored to the area each individual is involved in and has a level of control over. The KPI's target areas the Board believes hold greater potential for Group expansion and shareholder value, covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures for the Group and respective industry standards.

Performance in relation to the KPI's is assessed either six monthly or annually, with bonuses being awarded depending on the number and deemed difficulty of the KPI's achieved. Following the assessment, the KPI's are reviewed by the Board in light of the desired and actual outcomes, and their efficiency is assessed in relation to the Group's goals and shareholder wealth, before the KPI's are set for the following period.

In determining whether or not a KPI has been achieved, the Group bases the assessment on audited figures; however, where the KPI involves comparison of the Group, or a division within the Group, to the market, independent reports are obtained from organisations such as Standard & Poor's.

Directors' Report (cont.)

Service Agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Dr Qingtao Zeng
Title:	Managing Director
Agreement commenced:	31 October 2020
Term of agreement:	2 years from the Group listing on ASX or such later period the parties agree
Details:	$10,000 per month prior to the Group listing on ASX $20,000 per month after the Group listing on ASX

Name:	Rory McGoldrick
Title:	Non-Executive Chairman
Agreement commenced:	10 August 2020
Term of agreement:	Ongoing
Details:	$40,000 per annum from 1 January 2021

Name:	Graeme Fraser
Title:	Non-Executive Director
Agreement commenced:	10 August 2020
Term of agreement:	Ongoing
Details:	$40,000 per annum from 1 January 2021

Key management personnel have no entitlement to termination payments in the event of removal for misconduct. The terms and conditions of all KMP are formalised in contracts of appointment.

Details of Remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
2021	**Cash salary and fees $**	**Cash bonus $**	**Non- monetary $**	**Superannuation $**	**Long service leave $**	**Equity-settled shares $**	**Equity-settled options/rights $**	**Total $**
Executive Directors								
Dr Qingtao Zeng*	140,000	-	-	-	-	169,500	330,906	640,406
Non-executive Directors								
Rory McGoldrick**	26,598	-	-	-	-	30,000	42,262	98,860
Graeme Fraser***	28,998	-	-	-	-	30,000	42,262	101,260
Total	**195,596**	**-**	**-**	**-**	**-**	**229,500**	**415,430**	**840,526**

**Represents remuneration from 1 October 2020 to 30 June 2021*
***Represents remuneration from 1 January 2021 to 30 June 2021 plus additional consulting fee of $6,600*
****Represents remuneration from 1 January 2021 to 30 June 2021 plus additional consulting fee of $9,000*

The proportion of remuneration linked to performance and the fixed proportion are as follows:

2021	Fixed remuneration %	At risk STI %	At risk LTI %
Dr Qingtao Zeng	22.0	-	78.0
Rory McGoldrick	27.5	-	72.5
Graeme Fraser	28.7	-	71.3

Directors' Report (cont.)

Share-based compensation

Issue of shares

Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2021 are set out below:

2021	Date	Shares	Issue price	$
Dr Qingtao Zeng	12 August 2020	2,000,000	$0.01475	29,500
Dr Qingtao Zeng	29 January 2021	700,000	$0.20	140,000
Rory McGoldrick	29 January 2021	150,000	$0.20	30,000
Graeme Fraser	29 January 2021	150,000	$0.20	30,000

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

2021	Number of options granted	Grant date	Expiry date	Exercise price	Fair value per option at grant date
Dr Qingtao Zeng	2,000,000	27 January 2021	5 May 2023	$0.30	$0.0845
Rory McGoldrick	500,000	29 January 2021	5 May 2023	$0.30	$0.0845
Graeme Fraser	500,000	29 January 2021	5 May 2023	$0.30	$0.0845

Options granted carry no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the company. The number of options granted was determined having regard to options vested immediately. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2021 are set out below:

2021	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	Remuneration consisting of options for the year %
Dr Qingtao Zeng	169,046	-	-	26%
Rory McGoldrick	42,262	-	-	43%
Graeme Fraser	42,262	-	-	42%

Performance Rights

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Directors' Report (cont.)

2021	Number of performance rights granted	Grant date	Expiry date	Fair value at grant date	Condition
Dr Qingtao Zeng	500,000	27 January 2021	5 May 2023	$81,860	Performance rights will convert into Shares upon completion of the Company's first drilling program and the volume weighted average price of the Company's Shares being equal to or greater than 30 cents (over 20 consecutive trading days on which the Shares have actually traded).
Dr Qingtao Zeng	1,000,000	27 January 2021	5 May 2023	$40,000	Performance rights will convert into Shares upon the Company achieving a JORC or NI 43-101 Compliant Resource of >100,000 oz Au Eq (cut-off grade > 2 g/t) at any of its projects.
Dr Qingtao Zeng	2,000,000	27 January 2021	5 May 2023	$40,000	Performance rights will convert into Shares upon the Company achieving a JORC or NI 43-101 Compliant Resource of >500,000 oz Au Eq (cut-off grade > 1 g/t) at any of its projects.
	3,500,000			**$161,860**	

Performance rights granted carry no dividend or voting rights.

KMP Shareholdings

The number of ordinary shares in the Group held by each KMP and their related parties of the Group during the financial year and up to the date of this financial report is as follows:

	Balance at beginning of the year	Granted as remuneration during the year	Issued on exercise of options during the year	Other	Balance at end of the year	Issued after reporting period	Balance at signing date of this report
Executive Directors							
Dr Qingtao Zeng	3,650,000	2,700,000	-	500,000	6,850,000	-	6,850,000
Non-executive Directors							
Rory McGoldrick	250,000	150,000	-	-	400,000	-	400,000
Graeme Fraser	-	150,000	-	-	150,000	-	150,000
Total	**3,900,000**	**3,000,000**	**-**	**500,000**	**7,400,000**	**-**	**7,400,000**

The number of options in the Group held by each KMP and their related parties of the Group during the financial year and up to the date of this financial report is as follows:

	Balance at beginning of the year	Granted as remuneration during the year	Other changes during the year	Balance at end of the year	Issued after reporting period	Balance at signing date of this report
Executive Directors						
Dr Qingtao Zeng	-	2,000,000	-	2,000,000	-	2,000,000
Non-executive Directors						
Rory McGoldrick	-	500,000	-	500,000	-	500,000
Graeme Fraser	-	500,000	-	500,000	-	500,000
Total	**-**	**3,000,000**	**-**	**3,000,000**	**-**	**3,000,000**

Directors' Report (cont.)

3,500,000 performance rights with expiry date of 5 May 2023 were granted to Dr Qingtao Zeng during the year ended 30 June 2021 for which will convert into shares upon meeting certain stated hurdles (i.e. completion of the Group's first drilling program and the volume weighted average price of the Group's shares being equal to or greater than 30 cents, achieving a JORC or NI 43-101 compliant resource of certain grades).

There have been no transactions involving equity instruments apart from those described in the tables above relating to options, rights and shareholdings.

Other Transactions with KMP and/or their Related Parties

During the year, the Group had a lease agreement with Woodsouth Asset Management which is an entity controlled by a close family member of Dr Qingtao Zeng. Total amount paid to Woodsouth Asset Management during the year was $24,706. The balance outstanding at 30 June 2021 was $2,420 which is June 2021 rent and was paid on 22 July 2021

- End of Remuneration Report -

Directors' Report (cont.)

Indemnification of Officers and Auditors

During the year, the Group maintained an insurance policy which indemnifies the Directors and Officers in respect of any liability incurred in connection with the performance of their duties as Directors and Officers of the Group to the extent permitted by the *Corporations Act 2001*. During the financial year, the Group paid premiums of $22,200.

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor. During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

Proceedings on Behalf of the Group

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the financial year.

Non-audit Services

The Board of Directors is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: *Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or payable to HLB Mann Judd for non-audit services provided during the year ended 30 June 2021:

	$
Investigating Accountant's Report	12,875
Total	**12,875**

Rounding of Amounts

The Group is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollars.

Directors' Report (cont.)

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 immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to *section 298(2)(a)* of the *Corporations Act 2001.*

On behalf of the directors

Dr Qingtao Zeng
Managing Director

Dated this 30th day of September 2021

Auditor's independence declaration

As lead auditor for the audit of the financial report of Australasian Gold Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

This declaration is in relation to Australasian Gold Limited and the entity it controlled during the year.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Jude Lau
Partner

Melbourne
30 September 2021

	Note	2021 $	2020 $
Other income		25,962	-
Other expenses	2	(991,957)	(60,899)
		(965,995)	(60,899)
Finance income	3	119	182
Finance costs	3	(1,073)	(3,321)
Loss before income tax		**(966,949)**	**(64,038)**
Income tax benefit	4	-	-
Loss for the year after income tax		**(966,949)**	**(64,038)**
Total other comprehensive income		-	-
Total comprehensive (loss) for the year		**(966,949)**	**(64,038)**
Earnings per share			
From continuing operations			
Basic earnings per share (cents)	20	(5.95)	(1.07)
Diluted earnings per share (cents)	20	(5.95)	(1.07)

The accompanying notes form part of these financial statements.

	Note	2021 $	2020 $
ASSETS			
Current assets			
Cash and cash equivalents	5	5,243,265	172,529
Trade and other receivables	6	51,736	15,681
Prepayment		42,185	2,542
Total current assets		**5,337,186**	**190,752**
Non-current assets			
Exploration and evaluation assets	8	812,960	-
Right-of-use assets	7	5,115	35,444
Total non-current assets		**818,075**	**35,444**
Total assets		**6,155,261**	**226,196**
LIABILITIES			
Current liabilities			
Trade and other payables	9	298,806	94,174
Lease liabilities	10	5,957	26,290
Total current liabilities		**304,763**	**120,464**
Non-current liabilities			
Lease Liabilities	10	-	11,915
Total non-current liabilities		**-**	**11,915**
Total liabilities		**304,763**	**132,379**
Net assets		**5,850,498**	**93,817**
EQUITY			
Issued capital	11	6,649,185	594,555
Share Option Reserve	12	669,000	-
Accumulated losses		(1,467,687)	(500,738)
Total equity		**5,850,498**	**93,817**

The accompanying notes form part of these financial statements.

	Note	SHARE CAPITAL $	SHARE OPTION RESERVE	ACCUMULATED LOSSES $	TOTAL $
Balance at 1 July 2019		**594,555**	**-**	**(436,700)**	**157,855**
Total comprehensive income					
Total profit or (loss)		-	-	(64,038)	**(64,038)**
Other comprehensive income		-	-	-	**-**
Total comprehensive income		**594,555**	**-**	**(500,738)**	**93,817**
Transactions with members in their capacity as owners:					
Issuance of share capital, net of costs	11	-	-	-	**-**
Share based payment	12	-	-	-	**-**
Total transactions with owners		**-**	**-**	**-**	**-**
Balance at 30 June 2020		**594,555**	**-**	**(500,738)**	**93,817**
Total comprehensive income					
Total profit or (loss)		-	-	(966,949)	**(966,949)**
Other comprehensive income		-	-	-	**-**
Total comprehensive income		**594,555**	**-**	**(1,467,687)**	**(873,132)**
Transactions with members in their capacity as owners:					
Issuance of share capital, net of costs	11	6,054,630	-	-	**6,054,630**
Share based payment	12	-	669,000	-	**669,000**
Total transactions with owners		**6,054,630**	**669,000**	**-**	**6,723,630**
Balance at 30 June 2021		**6,649,185**	**669,000**	**(1,467,687)**	**5,850,498**

The accompanying notes form part of these financial statements.

	Note	2021 $	2020 $
Cash flows from operating activities			
Interest income received		315	182
Payments to suppliers and employees		(329,533)	(29,547)
Net cash (used in) by operating activities	19	**(329,218)**	**(29,365)**
Cash flows from investing activities			
Payments for exploration expenditure		(181,801)	-
Net cash (used in) by investing activities		**(181,801)**	**-**
Cash flow from financing activities			
Issue of shares		5,812,988	-
Payments for capital raising costs		(208,773)	-
Repayments of leasing liabilities		(22,460)	(3,000)
Net cash provided by financing activities		**5,581,755**	**(3,000)**
Net (decrease)/increase in cash held		**5,070,736**	**(32,365)**
Cash at the beginning of the year		172,529	204,894
Cash at the end of the year	5	**5,243,265**	**172,529**

The accompanying notes form part of these 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 all the years presented, unless otherwise stated.

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

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 consolidated entity:

Conceptual Framework for Financial Reporting (Conceptual Framework)
The consolidated entity 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.

a) Basis of Preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities.

These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (‘IASB’).

The Australasian Gold Limited is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets, and financial liabilities.

b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Australasian Gold Limited as at 30 June 2021 and the results of all subsidiaries for the year then ended. Australasian Gold Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

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

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

c) Revenue and income

Interest
Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. All revenue is stated net of the amount of goods and services tax (GST).

d) 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 amount 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.

e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are reported within borrowings in current liabilities on the consolidated statement of financial position.

f) 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 consolidated entity 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.

g) Financial Instruments

Initial recognition and measurement
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (i.e., trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities
Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship are recognised in profit or loss.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:
- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:
- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:
- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading and not a contingent consideration recognised by an acquirer in a business combination to which AASB 3: Business Combinations applies, the Group made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Group's accounting policy.

Derecognition
Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities
A liability is derecognised when it is extinguished (i.e., when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.
All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (i.e., the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

Impairment
The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g., amounts due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach
- the simplified approach
- the purchased or originated credit-impaired approach; and
- low credit risk operational simplification.

General approach
Under the general approach, at each reporting period, the Group assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- there is no significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach
The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15: Revenue from Contracts with Customers and which do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e., diversity of customer base, appropriate groupings of historical loss experience, etc).

Recognition of expected credit losses in financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.
The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g., loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

h) 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 consolidated entity 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 consolidated entity 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.

i) 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 consolidated entity'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.

j) Exploration and evaluation costs

Exploration, evaluation, and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the period in which the decision to abandon the area is made.

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

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area.

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

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

k) Impairment of non-financial 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.

l) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity 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.

m) 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.

n) 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.

o) 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.

p) Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

q) Significant Accounting Judgements, Estimates and Assumptions

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 expectation of future events, management believes to be reasonable under the circumstances. The resulting accounting judgments and estimates will seldom equal the related actual results. In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts in the financial statements.

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 consolidated entity 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 consolidated entity 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 consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Exploration and evaluation expenditure
The Group's accounting policy for exploration and evaluation expenditure is set out at Note 1(k). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, it is concluded that the expenditures are unlikely to be recovered by future exploitation or sale, then the capitalised amount will be written off to the statement of comprehensive income.

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

2. OTHER EXPENSES

	2021 $	2020 $
ASIC fees	8,686	3,258
Accounting & bookkeeping fees	18,561	4,800
Audit fees	33,575	6,550
Compliance manager fees	30,000	-
Company secretary fees	10,500	3,000
Consulting fees	4,000	-
Depreciation	12,276	25,020
Directors’ fees	81,496	-
Entertainment	1,545	-
Insurance	3,868	-
Investor relations services	32,096	-
Legal expenses	660	704
Marketing & design	4,886	-
Office expenses	1,101	82
Project expenses written off	116,880	5,894
Office outgoings	15,598	11,418
Share based payments	615,430	-
Telephone & internet	676	-
Travel expenses	123	172
Total other expenses	**991,957**	**60,898**

3. FINANCE INCOME AND COSTS

	2021 $	2020 $
Finance income		
Interest earned	119	182
Total finance income	**119**	**182**
Finance costs		
Bank fees	245	180
Interest expense	828	3,141
Total finance costs	**1,073**	**3,321**

4. INCOME TAX

	2021 $	2020 $
Loss before income tax	**(966,949)**	**(64,038)**
Prima facie tax (benefit) on loss before income tax at 30% (2020: 30%)	(290,085)	(19,211)
Permanent differences:		
Non-assessable income	(7,788)	
Non-deductible expenses	185,093	-
Blackhole deductions	(35,925)	
Movement in unrecognised tax assets and liabilities	57,371	12,920
Current year tax loss not recognisable	91,334	6,291
Under/(Over) provided in prior year	-	-
Aggregate income tax expense	**-**	**-**
Aggregate income tax expense comprises:		
Current taxation expense	-	-
Net deferred tax	-	-
	-	-
Cumulative unused tax losses for which no deferred tax asset has been recognised:		
Revenue losses	**(714,556)**	**(410,107)**

The Group considers that in the future it will be generating taxable income to utilise carried forward tax losses, however, it does not meet the recognition criteria. Additionally, the carried forward tax losses can only be utilised in the future when taxable income is being generated, if the continuity of ownership test is passed, or failing that, the same business test is passed.

5. CASH AND CASH EQUIVALENTS

	2021 $	2020 $
Cash at bank and on hand	5,243,265	172,529
Total cash and cash equivalents	**5,243,265**	**172,529**
Balance per statement of cashflow	**5,243,265**	**172,529**

6. TRADE AND OTHER RECEIVABLES

	2021 $	2020 $
TFN withholding tax receivable	37	233
GST receivable	31,279	15,448
Other receivable	20,420	-
Total trade and other receivables	**51,736**	**15,681**

No aging analysis has been provided as all amount is expected to be received within 6 months of year end.

Refer to note 22 Financial Instruments for further information.

7. RIGHT-OF-USE ASSETS

Cost	2021 $	2020 $
Building	33,758	60,464
Accumulated depreciation	(28,643)	(25,020)
Total right-of-use assets	**5,115**	**35,444**

The following table shows the movements in right-of-use assets:

	Buildings $	Total $
Gross carrying amount		
Balance at 1 July 2020	60,464	60,464
Additions	-	-
Adjustment for change in lease terms	(26,706)	(26,706)
Balance at 30 June 2021	**33,758**	**33,758**
Depreciation and impairment		
Balance at 1 July 2020	25,020	25,020
Adjustment for change in lease terms	(8,653)	(8,653)
Depreciation	12,276	12,276
Balance at 30 June 2021	**28,643**	**28,643**
Carrying amount 30 June 2021	**5,115**	**5,115**

	Buildings $	Total $
Gross carrying amount		
Balance at 1 July 2019	-	-
Additions	60,464	60,464
Disposals	-	-
Balance at 30 June 2020	**60,464**	**60,464**
Depreciation and impairment		
Balance at 1 July 2019	-	-
Disposals	-	-
Depreciation	25,020	25,020
Balance at 30 June 2020	**25,020**	**25,020**
Carrying amount 30 June 2020	**35,444**	**35,444**

Amounts recognised in the consolidated statement of profit or loss and other comprehensive income

	2021 $	2020 $
Depreciation	12,276	25,020
Interest expense	828	3,141
Total	**13,104**	**28,161**

8. EXPLORATION AND EVALUATION ASSETS

	2021 $	2020 $
Opening balance	-	-
Exploration assets capitalised	261,473	-
Tenements acquired	551,487	-
Total exploration and evaluation assets at cost	**812,960**	**-**

The capitalised exploration and evaluation costs represent expenditure incurred by the Group in relation to acquisition of tenements during the period which meet the criteria for recording as an asset per AASB 6 Exploration for and Evaluation of Mineral Resources.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas of interest, the results of which are still uncertain.

9. TRADE AND OTHER PAYABLES

Unsecured	2021 $	2020 $
Trade payables	20,559	6,320
Accruals	278,247	87,854
Total trade and other payables	**298,806**	**94,174**

Refer to Note 22 Financial Instrument for further information.

10. LEASE LIABILITIES

	2021 $	2020 $
Current	5,957	26,290
Non-current	-	11,915
Total lease liabilities	**5,957**	**38,205**

The incremental borrowing rate applied to lease liabilities recognised was 6.20%. (30 June 2020: 6.20%)

Refer to Note 22 Financial Instrument for further information.

11. ISSUED CAPITAL

	30 June 2021		30 June 2020	
	Number	$	Number	$
Issued capital	45,564,941	7,242,489	6,000,001	600,001
Cost of shares issued	-	(593,304)	-	(5,446)
Fully paid ordinary shares	**45,564,941**	**6,649,185**	**6,000,001**	**594,555**

a) Ordinary shares

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

Movements in ordinary shares

Date	Details	Number	$	Issue price
1 July 2019	**Balance at period end**	**6,000,001**	**600,001**	
30 June 2020	**Balance at period end**	**6,000,001**	**600,001**	
12 August 2020	Issue of shares – Fairview	500,000	50,000	$0.10 per share
12 August 2020	Issue of shares – director fee	2,000,000	29,500	$0.01475 per share
25 November 2020	Issue of shares – Mt Clermont	1,000,000	100,000	$0.10 per share
8 December 2020	Issue of shares – seed capital	2,000,000	200,000	$0.10 per share
29 January 2021	Issue of shares – Directors	1,000,000	200,000	$0.20 per share
5 February 2021	Issue of shares – May Queen	1,000,000	100,000	$0.10 per share
5 February 2021	Issue of shares – May Queen	4,500,000	450,000	$0.10 per share
13 May 2021	Issue of shares – IPO	27,564,940	5,512,988	$0.20 per share
30 June 2021	**Balance at period end**	**45,564,941**	**7,242,489**	

b) Capital management

Management objectives when managing capital are to ensure that the Group can fund further exploration and listing activities and remain a going concern.

The Group manages the capital structure and makes adjustments to it in light of the forecast cash requirements. To that end, internal capital rationing is complemented by capital raising activities as required to ensure funding for development activities is in place.

There are no externally imposed capital requirements. There was no change to the capital management policies from last year.

12. SHARE OPTION RESERVE

	2021 $	2020 $
Share option reserve	669,000	-
Total share option reserve	**669,000**	**-**

Movements in share option reserve

	2021 $	2020 $
Balance at beginning of year	-	-
Issue of options	507,140	-
Issue of performance rights	161,860	-
Balance at the end of the year	**669,000**	**-**

On 11 December 2020, the Group agreed to grant 1,000,000 unlisted options to Minerva Corporate (or its nominee) exercisable at $0.30 each expiring 31 January 2023. The fair value was estimated to be $84,523.

On 27 January 2021, the Group granted the following instruments to Dr Qingtao Zeng on executing the deed to vary his consulting agreement:

1) 2,000,000 unlisted options, exercisable at 30 cents each per share within two years of the Group listing on ASX, with an estimated fair value of $169,047.
2) 3,500,000 performance rights for which will convert into shares upon meeting certain stated hurdles (i.e. completion of the Group's first drilling program and the volume weighted average price of the Group's shares being equal to or greater than 30 cents, achieving a JORC or NI 43-101 compliant resource of certain grades). The fair value was estimated to be $161,860.

On 29 January 2021, the Group granted 500,000 unlisted options each to Graeme Fraser and Rory McGoldrick, exercisable at 30 cents each per share within two years of the Group listing on ASX for nominal consideration. The fair value of the 1,000,000 options was assessed to be $84,523.

On 22 February 2021, the Group agreed to grant 2,000,000 unlisted options to Euroz Hartleys (or its nominee) exercisable at $0.30 expiring 5 May 2023 on the company being admitted to the ASX. The fair value was estimated to be $169,047.

(1) Options

Set out below are summaries of options granted:

2021 Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
11/12/2020	31/01/2023	$0.30	-	1,000,000	-	-	1,000,000
27/01/2021	05/05/2023	$0.30	-	2,000,000	-	-	2,000,000
29/01/2021	05/05/2023	$0.30	-	1,000,000	-	-	1,000,000
22/02/2021	05/05/2023	$0.30	-	2,000,000	-	-	2,000,000
			-	**6,000,000**	**-**	**-**	**6,000,000**
Weighted average exercise price			-	$0.30	-	-	$0.30

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2021 Number	2020 Number
11/12/2020	31/01/2023	1,000,000	-
27/01/2021	05/05/2023	2,000,000	-
29/01/2021	05/05/2023	1,000,000	-
22/02/2021	05/05/2023	2,000,000	-
		6,000,000	**-**

The weighted average share price during the financial year was $0.167 (2020: $0.100).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.81 years (2020: nil years).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
11/12/2020	31/01/2023	$0.20	$0.30	100.00%	0.00%	0.10%	$0.0845
27/01/2021	05/05/2023	$0.20	$0.30	100.00%	0.00%	0.10%	$0.0845
29/01/2021	05/05/2023	$0.20	$0.30	100.00%	0.00%	0.10%	$0.0845
22/02/2021	05/05/2023	$0.20	$0.30	100.00%	0.00%	0.10%	$0.0845

(2) Performance Rights

Set out below are summaries of performance rights granted:

2021 Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
27/01/2021	05/05/2023	$0.30	-	500,000	-	-	500,000
27/01/2021	05/05/2023	NA	-	1,000,000	-	-	1,000,000
27/01/2021	05/05/2023	NA	-	2,000,000	-	-	2,000,000
			-	**3,500,000**	**-**	**-**	**3,500,000**

None of the performance rights are exercisable at the end of the financial year.

13. COMMITMENTS

	$
Tenement commitments 0-1 year	1,482,000
Tenement commitments 1-2 years	1,848,000
Total commitments	**3,330,000**

In order to maintain current rights of tenure to mining tenements in Australia, the Group has the above exploration expenditure requirements. If the Group decides to relinquish certain leases and/or does not meet these obligations, exploration and evaluation assets recognised in the consolidated statement of financial position may require review to determine appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

At the reporting date, the Group had no contingent assets or liabilities. (2020: nil)

15. PARENT ENTITY INFORMATION

	2021 $	2020 $
Assets		
Current assets	5,337,187	190,652
Non-current assets	818,347	35,544
Total assets	**6,155,534**	**226,196**
Liabilities		
Current liabilities	304,763	120,464
Non-current liabilities	-	11,915
Total liabilities	**304,763**	**132,379**
Net assets	**5,850,771**	**93,817**
Equity		
Issued capital	6,649,185	594,555
Share option reserve	669,000	-
Accumulated losses	(1,467,414)	(500,738)
Total equity	**5,850,771**	**93,817**
Loss for the period	**(966,676)**	**(64,038)**

Guarantees

The company has not entered into any guarantees in the current financial period, in relation to the debt of its subsidiary.

Contingent liabilities

As at 30 June 2021, the company does not have any contingent liabilities other than those in note 14.

16. RELATED PARTY TRANSACTIONS

a) Transactions with related parties

During the year, the Group has a lease agreement with Woodsouth Asset Management which is controlled by a close family member of Qingtao Zeng, director of Australasian Gold Limited. Total amounts paid to Woodsouth Asset Management during the year were $22,460. The balance outstanding at 30 June 2021 was $1,210 which is for June 2021 rent and was paid on 22 July 2021.

Dr Qingtao Zeng, who is the director of Australasian Gold Limited, controls GeoSmart Consulting. On 11 August 2020, the Group paid $5,000 and issued 500,000 shares at 10 cents per Share to Geosmart Consulting Pty Ltd for reimbursement of exploration expenses incurred and consideration for services provided for the Group's tenement application E 08/3248 (known as Fairview), including withdrawing a prior application over the same ground. The Board considers that the GeoSmart Consulting arrangement is a commercial arrangement entered into on favourable terms to Australasian Gold Limited.

b) Subsidiaries

Refer to note 18.

c) Key management personnel

Refer to note 24 and the remuneration report.

17. OPERATING SEGMENTS

For management's purposes, the Group is organised into one main operating segment, which involves the exploration and development of minerals in Australia. All of the Group's activities are interrelated, and discrete financial information is reported to the Board as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

18. CONTROLLED ENTITIES

Details of subsidiary controlled by the Company as at 30 June 2021 are as follows

	Country of Incorporation	Percentage Owned (%) 30 June 2021	Percentage Owned (%) 30 June 2020
Australasian Gold Limited	Australia		
Subsidiary of Australasian Gold Limited			
Pure Mining Pty Ltd (ACN 627 691 721)	Australia	100%	100%

19. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH FROM OPERATING ACTIVITIES

	2021 $	2020 $
Net loss	**(966,949)**	**(64,038)**
Add back: Non-cashflows in loss		
- AASB 16 related finance costs	828	3,141
- AASB 16 related depreciation	12,276	25,020
- share-based payments	615,430	-
- project expenses paid by shares	55,000	-
- director fees paid by shares	29,500	-
- Non-cash income	(25,962)	
- Other	8,267	
Changes in assets and liabilities		
- (increase)/decrease in trade & other receivables	(15,636)	(1,298)
- (increase)/decrease in prepayments	(39,643)	(549)
- increase/(decrease) in trade & other payables	(2,329)	8,359
Net cash (used in) by operating activities	**(329,218)**	**(29,365)**

Non-cash investing and financing activities

The Group acquired tenements totalling $600,000 with the issue of shares.
The Group settled fund raising costs with the issue of options totalling $253,570.

20. EARNINGS PER SHARE

	2021 $	2020 $
Reconciliation of earnings to profit:		
Loss used in the calculation of basic and diluted EPS	(966,949)	(64,038)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic EPS	16,252,555	6,000,001
Loss per share:		
Basic and diluted loss per share (cents per share)	(5.95)	(1.07)

21. AUDITOR'S REMUNERATION

	2021 $	2020 $
Amount received or receivable by HLB Mann Judd for:		
Audit and review of financial statements	31,666	6,550
Other services	12,875	-
Total auditor's remuneration	**44,541**	**6,550**

22. FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable. The totals for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

Financial assets	**2021 $**	**2020 $**
Financial assets at amortised cost		
Cash and cash equivalents	5,243,265	172,529
Trade and other receivables	20,457	233
Total financial assets	**5,263,722**	**172,762**

Financial liabilities	**2021 $**	**2020 $**
Financial liabilities at amortised cost		
Trade and other payables	298,806	94,174
Lease	5,957	38,205
Total financial liabilities	**304,763**	**132,379**

Financial Risk Management Policies
The Board monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, foreign currency risk, liquidity risk and interest rate risk.

The overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of credit risk policies and future cash flow requirements.

Specific financial risk exposures and management
The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and interest rate risk. There are no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group. Due to the current nature of the Group, being an exploration entity, the Group is not exposed to material credit risk. In addition, the Group has a policy of banking with financial institution with credit rating of AA.

b. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.
Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Typically, the Group ensures that it has sufficient cash to meet expected operational expenses for a period of 60 days. The financial liabilities of the Group include trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 30 days of the reporting date.

The following table reflects an undiscounted contractual maturity analysis for financial assets and financial liabilities.

Financial liability and financial asset maturity analysis:

2021

Financial liabilities due for payment	**Within 1 Year $**	**1 to 5 Years $**	**Total $**
Trade and other payables	(298,806)	-	(298,806)
Total expected outflows	**(298,806)**	**-**	**(298,806)**

Financial assets – cash flows realisable	**Within 1 Year $**	**1 to 5 Years $**	**Total $**
Cash and cash equivalents	5,243,265	-	5,243,265
Trade and other receivables	20,457	-	20,457
Total anticipated inflows	**5,263,722**	**-**	**5,263,722**
Net inflow on financial instruments	**4,964,916**	**-**	**4,964,916**

2020

Financial liabilities due for payment	**Within 1 Year $**	**1 to 5 Years $**	**Total $**
Trade and other payables	(94,174)	-	(94,174)
Total expected outflows	**(94,174)**	**-**	**(94,174)**

Financial assets – cash flows realisable	**Within 1 Year $**	**1 to 5 Years $**	**Total $**
Cash and cash equivalents	172,529	-	172,529
Trade and other receivables	233	-	233
Total anticipated inflows	**172,762**	**-**	**172,762**
Net inflow on financial instruments	**78,588**	**-**	**78,588**

c. Interest rate risk

This is initiated to the Group's cash balance which bears floating rate. The weighted interest rate was 0.01% during the year (2020: 0.01%).

Should the interest rate change by 1%, the Group's interest internal net accounts would increase/decrease by $52,432.

Fair value estimation

The fair values of financial assets and financial liabilities are presented above and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The Group does not record any of its assets and liabilities at fair value post initial recognition. Financial instruments whose carrying value is equivalent to fair value due to their nature include:

- Cash and cash equivalents;
- Other receivables; and
- Other payables

23. EVENTS AFTER THE END OF THE YEAR

On 30 July 2021, the Group issued 500,000 shares at $0.20 per share as the consideration to acquire the Capella Gold Project. The Group announced that it had entered into a binding tenement sale and purchase agreement (SPA) to acquire a 100% interest in the Capella gold project (EPM 25956) from Cape Coal Pty Ltd on 7 June 2021. The Capella gold project is strategically located around 10km south from the Group's Mt Clermont polymetallic project. Through the Acquisition, the Group's land holding will increase by 50% in the highly prospective Clermont goldfield. The Capella gold project is situated on 100% exclusive land with no Native Title.

On 25 August 2021, the Group announced that it had applied for an exploration license in the Anningie pegmatite province (ELA32830). ELA32830 is located in Mt Peake area of the Anningie Tin-Tantalum-Pegmatite fields in the north Arunta Region of the NT. The area is considered highly prospective for hard rock lithium mineralization.

Except for the above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

24. KEY MANAGEMENT PERSONNEL

Compensation

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

	2021 **$**	**2020** **$**
Short-term employee benefits	195,596	-
Post-employment benefits	-	-
Long-term benefits	-	-
Share-based payments	644,930	-
	840,526	**-**

25. CHANGES IN LIABILITIES FROM FINANCING ACTIVITIES

Consolidated	**Lease liability $**	**Total $**
Balance at 1 July 2019	-	**-**
Repayment	(22,258)	**(22,258)**
Application of AASB 16	60,463	**60,463**
Other changes	-	**-**
Balance at 30 June 2020	**38,205**	**38,205**
Balance at 1 July 2020	38,205	**38,205**
Other changes	(18,951)	**(18,951)**
Repayment	(13,297)	**(13,297)**
Balance at 30 June 2021	**5,957**	**5,957**

26. COMPANY DETAILS

The registered office and principal place of business is:

Registered Address:
Level 6, 505 Little Collins Street
Melbourne, VIC 3000

Principal Business Office:
Unit 34, 123B Colin Street
West Perth, WA 6008

Director's Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable

The directors have been given the declarations required by *section 295A* of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to *section 295(5)(a)* of the *Corporations Act 2001*.

On behalf of the directors

Dr Qingtao Zeng
Managing Director

Dated this 30th day of September 2021

Independent Auditor's Report to the Members of Australasian Gold Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Australasian Gold Limited ("the Company") and its controlled entity ("the Group") which comprises the consolidated statement of financial position 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 statements, 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:

(a) 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 then ended; and

(b) 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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("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.

hlb.com.au

HLB Mann Judd (VIC Partnership) ABN 20 696 861 713
Level 9, 575 Bourke Street, Melbourne VIC 3000 | GPO Box 2850, Melbourne VIC 3001
T: +61 (0) 3 9606 3888 F: +61 (0) 3 9606 3800 E: mailbox@hlbvic.com.au

Key Audit Matter	How our audit addressed the key audit matter
Carrying value of exploration and evaluation asset Refer to Note 7 of the Financial Report	
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources ("AASB 6")*, for each area of interest, the Group capitalises expenditure incurred in the exploration for and evaluation of mineral resources. These capitalised assets are recorded using the cost model. Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, because this is one of the significant assets of the Group. There is a risk that the capitalised expenditure no longer meets the recognition criteria of AASB 6. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.	Our procedures included but were not limited to: • testing the capitalised exploration expenditures incurred in respect of the Group's areas of interest by evaluating supporting documentation for consistency to the capitalisation requirements of the Group's accounting policies and the requirements of AASB 6; • obtaining an understanding of the key processes associated with management's review of the exploration and evaluation asset carrying values; • considering and assessing the Directors' assessment of potential indicators of impairment; • obtaining evidence that the Group has current rights to tenure of its areas of interest; • examining the exploration budget for 2021/22 and discussing with management the nature of planned ongoing activities; • enquiring with management, reading ASX announcements and minutes of Directors' meetings to ensure that the Group had not decided to discontinue exploration and evaluation at its areas of interest; and • examining the disclosures made in the financial report against the requirements of applicable Australian Accounting Standards.
Share-based payments Refer to Note 12 of the Financial Report	
The Group pays its key management personnel ("KMP") and contractors through the issue of ordinary shares, options and performance rights. During the year, there were several share-based payments made to KMP and contractors to settle liabilities owing to them. The valuation and accounting for share-based payments is complex and is subject to management's estimates and judgement.	Our procedures included but were not limited to: • verifying the key terms and conditions of equity settled share-based payments in respect of ordinary shares, options and performance rights to the relevant agreements, executed with KMP and contractors; • assessing and testing the fair value calculation of share-based payments by checking the accuracy of the inputs to source documents and performing a cross check against our own findings; • testing the accuracy of the share-based payments vesting conditions and the recording of expenses in the consolidated statement of profit or loss and movement in the share-based payment reserve; and • examining the disclosures made in the financial report against the requirements of applicable Australian Accounting Standards.

Information Other than the Financial Report and Auditor's Report Thereon

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

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

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

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

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 Company 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 Company or to cease operations, or have 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 22 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Australasian Gold Limited 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.

HLB Mann Judd
Chartered Accountants

Jude Lau
Partner

Melbourne
30 September 2021

Corporate Governance Statement

The Company has adopted systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs. To the extent they are applicable, the Company has adopted the Corporate Governance Principles and Recommendations (4th Edition) as published by ASX Corporate Governance Council.

The following corporate governance charters, codes and policies have been implemented and are available on the Company's website at www.australasiangold.com:

- Board Charter
- Corporate Code of Conduct
- Diversity, Nomination and Remuneration Committee Charter
- Audit and Risk Committee Charter
- Shareholder Communication Guidelines and Policy
- Disclosure Policy
- Securities Trading Policy

Additional ASX Information

Additional information required by the ASX Limited (“ASX”) Listing Rules and not disclosed elsewhere in this set out below. The shareholder information set out below was applicable as at 26 September 2021.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

			Class of equity security *Ordinary shares*
1	–	1,000	18
1,001	–	5,000	255
5,001	–	10,000	199
10,001	–	100,000	213
100,001		and over	55
			740

There were 31 holders of less than a marketable parcel of ordinary shares.

B. Equity security holders

Twenty largest quoted equity security holders – ordinary shares

Rank	Name	Units	%
1	IRONRIDGE RESOURCES LIMITED	5,500,000	11.94
2	HONG KONG WE INVESTMENT CO LIMITED	4,000,000	8.68
3	WOODSOUTH ASSET MANAGEMENT PTY LTD	3,200,000	6.95
4	MR YUQING LIU	2,000,000	4.34
5	CLIVE WATERSON SUPERFUND PTY LTD <CLIVE WATERSON S/F A/C>	1,654,975	3.59
6	GEOSMART CONSULTING PTY LTD	1,575,000	3.42
7	GEOSMART CONSULTING PTY LTD	1,575,000	3.42
7	IMPACT MINERALS LIMITED	1,000,000	2.17
9	MR LUPING YU	1,000,000	2.17
10	COMSEC NOMINEES PTY LIMITED	689,434	1.50
11	PAYZONE PTY LTD <ST BARNABAS SUPER A/C>	550,000	1.19
12	MOZIW FAMILY PTY LTD <MO FAMILY A/C>	536,933	1.17
13	CAPE COAL PTY LTD	500,000	1.09
13	ZHENGRONG CHEN	500,000	1.09
13	NANNAN HE	500,000	1.09
13	NOTRE DAME INVESTMENT LIMITED	500,000	1.09
13	MR DAVID WILLIAM RICHES <DAVE RICHES BROS FAM A/C>	500,000	1.09
13	RIGI INVESTMENTS PTY LTD <THE CAPE A/C>	500,000	1.09
13	MR HAN TAO	500,000	1.09
13	JIM THEODORAKOPOULOS	500,000	1.09
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)		**27,781,342**	**60.31**
Total Remaining Holders Balance		**18,283,599**	**39.69**

Additional Shareholder Information

C. Substantial shareholders

Rank	Name	Units	%
1	DR QINGTAO ZENG	6,350,000	13.78
2	IRONRIDGE RESOURCES LIMITED	5,500,000	11.94
3	HONG KONG WE INVESTMENT CO LIMITED	4,000,000	8.68

D. Unquoted equity security holders with greater than 20% of an individual class

Options exercisable at $0.30 expiring 31 January 2023	
Bridge The Gap Trading Pty Ltd	100%
Options exercisable at $0.30 expiring 6 May 2023	
Woodsouth Asset Management Pty Ltd	40%
Zenix Nominees Pty Ltd	40%

E. Voting rights

The voting rights attaching to each class of equity securities are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options
No options have any voting rights.

F. On-market buyback

There is no current on-market buyback.

G. Restricted securities

The Company currently has the following restricted securities on issue.

Security	Number	Restriction Period
Shares	10,450,000	Expiring 24 months from the date of quotation.
Shares	1,000,000	Expiring 12 months from the date of issue of the Shares (8/12/21).
Shares	1,000,000	Expiring 12 months from the date of issue of the Shares (30/04/22).
Shares	500,000	Expiring 6 September 2022
Options	6,000,000	Expiring 24 months from the date of quotation.
Performance Rights	3,500,000	Expiring 24 months from the date of quotation.

Tenement schedule

Tenement	Project	Location	Ownership
EPM 19419	May Queen	Queensland	100%
EPM 27746	May Queen	Queensland	100%
EPM 14116	Mt Clermont	Queensland	100%
EPM 25956	Capella	Queensland	100%
E08/3248	Fairview	Western Australia	100% (in application)
ELA 32830	Mt Peake	Northern Territory	100% (in application)