



Alderan Resources Limited

ABN 55 165 079 201

Annual Consolidated Financial Report

30 June 2020

Contents	Page
Corporate Information	3
Directors' Report	4
Auditor's Independence Declaration	23
Consolidated Statement of Profit or Loss and Other Comprehensive Income	24
Consolidated Statement of Financial Position	25
Consolidated Statement of Changes in Equity	26
Consolidated Statement of Cash Flows	27
Notes to the Consolidated Financial Statements	28
Directors' Declaration	51
Independent Auditor's Report	52
Corporate Governance	55
Additional Securities Information	64
Tenement Schedule	67

CORPORATE INFORMATION

ABN 55 165 079 201

Directors

Mr. Ernest Thomas Eadie
Mr. Frank David "Bruno" Hegner
Mr. Peter Williams

Company Secretary

Mr. Mathew O'Hara

Registered Address

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Subiaco WA 6008
Telephone: 08 6143 6711
Fax: 08 9388 8824

Principal Place of Business

Suite 23, 513 Hay Street
Subiaco WA 6008
Telephone: 08 6143 6711
Fax: 08 9388 8824

Bankers

National Australia Bank
197 St Georges Terrace
Perth WA 6000

Auditors

RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
Perth WA 6000
Telephone: 08 9261 9100

Share Registry

Automic Registry Services
Level 5, 126 Phillip Street
Surrey Hills NSW 2000
Telephone: 1300 288 664 (within Australia)
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DIRECTORS' REPORT

The Directors of Alderan Resources Limited ("the Company") present their report on Alderan Resources Limited and its subsidiaries ("the Group") for the year ended 30 June 2020.

Directors and Officers

The names of the directors and officers who held office during or since the end of the year and until the date of this report are as follows. The Directors held office for the full year unless specified below.

	Position	Date appointed / resigned
Mr. Ernest Thomas Eadie*	Non-executive Chairman	Appointed on 23 January 2017
Mr. F. D. Hegner	Executive Director	Appointed on 1 November 2017
Mr. Nicolaus Heinen	Non-executive Director	Appointed on 1 March 2015, Resigned 23 September 2020
Mr. Peter Williams**	Managing Director	Appointed 13 May 2019
Dr. Marat Abzalov	Non-executive Director	Appointed 13 May 2019, Resigned 5 June 2020
Mr. Mathew O'Hara	Company Secretary	Appointed 15 July 2020
Mr. Brett William Tucker	Company Secretary	Appointed 19 October 2016, Resigned 15 July 2020

*Mr Eadie held the role of Executive Chairman between 11 February 2019 and 1 September 2019, when he was appointed Non-executive Chairman.

**Mr Williams held the role of Non-executive Director from 13 May 2019 to 1 September 2019, when he was appointed Managing Director.

Current Directors and Officers

Mr. Ernest Thomas Eadie: Non-executive Chairman

Qualifications: Bachelor of Science (Hons) in Geology and Geophysics from the University of British Columbia, a Master of Science in Physics (Geophysics) from the University of Toronto and a Graduate Diploma in Applied Finance and Investment from the Security Institute of Australia. He is a Fellow (and past board member) of the AusIMM.

Mr Eadie is a well-credentialed mineral industry leader and explorer with broad experience in both the big end and small end of town. He was the founding Chairman of Syrah Resources, Copper Strike and Discovery Nickel as well as a founding Director of Royalco Resources. At Syrah, he was at the helm during acquisition, discovery and early feasibility work of the huge Balama graphite deposit in Mozambique which started production in early 2018. Copper Strike, where he was also Managing Director for 10 years, made several significant copper/gold and lead/zinc/silver discoveries in North Queensland, while Discovery Nickel (later to be renamed Discovery Metals), found and developed the Boseto copper deposit in Botswana. Prior to this, Mr. Eadie was Executive General Manager of Exploration and Technology at Pasminco Limited, at the time the largest zinc producer in the world. This came after technical and later management responsibilities at Cominco and Aberfoyle in the 1980s.

DIRECTORS' REPORT (continued)

Mr. Frank D. Hegner: Executive Director

Qualifications: Bachelor of Arts in Russian History from Fort Lewis College; Juris Doctor from the University of Denver College of Law

Mr Hegner has more than 25 years of experience as a corporate manager and executive. He was previously Managing Director of Rio Tinto's Copper Projects Group and Vice-President / General Manager of Resolution Copper Company in Arizona USA. Mr Hegner has significant experience in management and development of major copper projects around the world including land titles, permitting, acquisitions, governmental relations, cost management, project management and operations. Mr. Hegner has also been a consultant to private equity groups on mineral development projects. He has extensive experience serving on the Board of Directors of both non-profit and publicly-traded entities.

Mr. Nicolaus Heinen: Non-Executive Director (resigned 23 September 2020)

Qualifications: BSc (Hon.) in Economics from the London School of Economics (LSE) and an MA in War Studies from King's College, London

Mr. Heinen is the founder and managing partner of Belgrave Capital Ltd, a London based investment management firm. He has been actively involved in the natural resources sector since 2004. Mr. Heinen joined private bank Sal. Oppenheim jr. & Cie. In 1992 as a founding member of its Corporate Finance team. From 1996-98, he co-managed the bank's UK institutional equity brokerage arm. From 1999-2004, he was managing partner of Rhein Trust, an investment company specialised in venture capital, pre-IPO investments and real estate.

In 2004, he founded Mongold Mining Inc., a gold exploration and mining company which developed one of Mongolia's largest conglomerate gold deposits. As its CEO, he oversaw the acquisition of the assets, exploration, capital raising and development towards mine production. In 2005, he founded Universal Copper International Inc., which discovered, explored and developed one of Mongolia's largest VMS-style copper deposits ("White Hill"). He served as the company's CEO until its acquisition by Kerry Mining Group, Singapore in mid-2008. During his tenure, he was responsible for building up the company from a greenfield project into an advanced exploration/development project. His responsibilities included the creation and implementation of operational and financial structures, substantial capital raisings as well as financial/operational controlling. He structured and managed the sale of the Company.

Other investments have included private equity transactions in various engineering companies as well as real estate.

Mr. Peter Williams: Managing Director

Qualifications: B Sc (Hons first class), M Sc, AUSIMM, AICD

Mr Williams was formerly Chief Geophysicist and Manager of Geoscience Technology for WMC Resources. He was one of the founding members of Independence Group Limited and developed high powered 3 component 3D TEM applications that led to the discovery of over 75,000t of nickel at the Victor Long Nickel Mine in Kambalda. Peter has extensive experience in West Africa where he was the vendor of Gryphon Minerals' Banfora Gold Project, was involved in the project generation of Papillion's Mali projects and was a founding director of Ampella Mining Ltd. Peter was a co-founder of the International Resource Sector Intelligence company, Intierra, and was a co-founder of the first dedicated hard rock mineral seismic company in the world, HiSeis.

Mr. Mathew O'Hara: Company Secretary

Qualifications: Bachelor of Commerce, Accounting & Finance, Member of the Chartered Accountants in Australia & New Zealand

Mr O'Hara is a Chartered Accountant and has over 15 years' experience in corporate finance, accounting and governance. He has been employed by, and acted as, Non-Executive Director, Company Secretary and Chief Financial Officer of several companies in the resources sector. Prior to these roles Mr O'Hara spent several years with an international accounting firm specialising in the Corporate Finance, Advisory and Audit divisions gaining significant experience with ASX, TSX and AIM listed clients across a diverse range of industries.

DIRECTORS' REPORT (continued)

Directors' Interests

The following relevant interests in shares, options and performance rights of the Company or a related body corporate were held by the Directors as at the date of this report.

Directors	Number of fully paid ordinary shares	Number of options over ordinary shares	Number of performance rights
Ernest Thomas Eadie	3,901,250	3,146,875	-
Peter Williams	7,121,417	16,171,875	-
Nicolaus Heinen ¹	1,148,751	900,000	-
F.D. Hegner	512,800	2,000,000	600,000
Total	12,684,218	22,218,750	600,000

¹ Resigned on 23 September 2020

Shares under option or issued on exercise of options

At the date of this report, unissued ordinary shares or interests of the Company under option are:

Date options issued	Tranche	Number of shares under option	Exercise price of option \$	Expiry date of option
KMP Options				
21/02/2017	Tranche A-1	755,000	0.20	22/02/2021
21/02/2017	Tranche B	2,300,000	0.30	22/02/2021
21/02/2017	Tranche C	1,570,000	0.40	22/02/2021
21/02/2017	Tranche D	1,570,000	0.60	22/02/2021
21/02/2017	Tranche E	1,570,000	0.80	22/02/2021
19/07/2019	Tranche A	4,500,000	0.06	19/07/2022
19/07/2019	Tranche B	7,000,000	0.10	19/07/2022
30/06/2020	Tranche C	10,000,000	0.08	30/06/2023
Broker Options				
07/08/2019	Tranche A	5,000,000	0.10	07/08/2021
07/08/2019	Tranche B	5,000,000	0.20	07/08/2021
30/06/2020	Tranche C	5,000,000	0.12	30/06/2023
Consultant Options				
04/09/2017	Tranche A	200,000	0.60	22/02/2021
04/09/2017	Tranche B	200,000	0.80	22/02/2021
04/09/2017	Tranche C	200,000	1.00	22/02/2021
04/09/2017	Tranche D	200,000	1.20	22/02/2021
Investor Options				
07/08/2019	Tranche A	22,890,625	0.10	07/08/2022

DIRECTORS' REPORT (continued)

Shares under option or issued on exercise of options (continued)

Date options issued	Tranche	Number of shares under option	Exercise price of option \$	Expiry date of option
Long-Term Incentive Plan				
28/06/2017	Tranche A	45,000	0.30	27/06/2021
28/06/2017	Tranche B	75,000	0.40	27/06/2021
28/06/2017	Tranche C	75,000	0.60	27/06/2021
28/06/2017	Tranche D	75,000	0.80	27/06/2021
15/11/2017	Tranche A	75,000	2.50	15/11/2021
15/11/2017	Tranche B	75,000	3.00	15/11/2021
12/06/2018	Tranche A	125,000	1.00	12/06/2022
12/06/2018	Tranche B	100,000	1.50	12/06/2022
12/06/2018	Tranche C	100,000	2.00	12/06/2022
12/06/2018	Tranche D	100,000	2.50	12/06/2022
19/07/2019	Tranche A	750,000	0.10	19/07/2022
04/08/2020	Tranche E	3,500,000	0.195	03/08/2023
04/08/2020	Tranche F	3,500,000	0.225	03/08/2023
Total		76,550,625		

The following Options were exercised during the period:

- 2,500,000 options exercisable at \$0.06, expiring on 19 July 2022;
- 234,375 options exercisable at \$0.10, expiring on 7 August 2022; and
- 1,875,000 options exercisable at \$0.10, expiring 7 August 2022.

The following Options lapsed or were cancelled during the period:

- 1,777,454 options exercisable at \$0.20, expiring on 22 February 2020;
- 2,300,000 options exercisable at \$0.30, expiring on 31 May 2020;
- 2,300,000 options exercisable at \$0.40, expiring on 31 May 2020; and
- 750,000 unlisted options exercisable at \$0.10 on or before 19 July 2022.

Total shares, options and convertible securities of the Company on issue as at the date of this Report

Number of fully paid ordinary shares	Number of options over ordinary shares	Performance rights
261,813,641	76,550,625	600,000

DIRECTORS' REPORT (continued)

Review of Operations

The principal activity of the Company and its controlled subsidiaries ('the Group') is mineral exploration for gold and copper in Utah, USA. The Group was the first holder of the mineral rights over the entire Frisco Mineral Field. After review during the period it entered into an Option to Joint Venture Agreement with Kennecott Exploration Company, a member company of the Rio Tinto Group, in order to cost effectively advance exploration at the Frisco Project, and allowing it scope to be able to look at other opportunities more suited to a Junior Company.

In April 2020, Alderan announced that it had signed binding Option Agreements with Tamra Mining Company LLC ('Tamra') to acquire up to a 70% interest in the highly prospective Valley / Crossroads copper-gold and the Detroit gold-copper-molybdenum projects in Utah, USA.

The Group also continued exploration and assessment of its 100%-owned White Mountain epithermal gold project, 10km southwest of the Frisco Project in Utah, USA, and has examined various other properties in the Western USA.

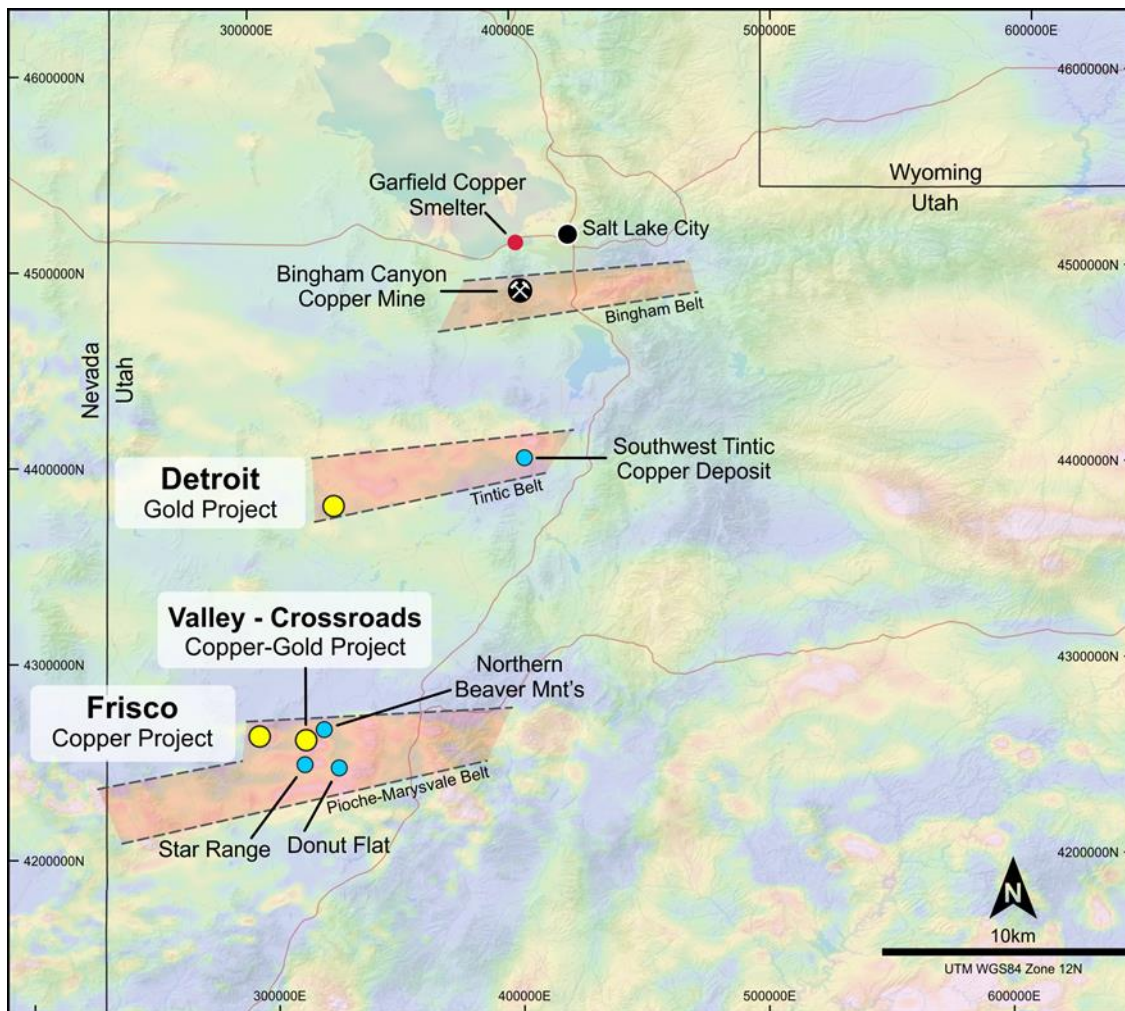


Figure 1: Alderan Project Locality Map showing its projects in Utah, USA.

Tamra Option Agreements

In April 2020, Alderan entered into binding option agreements with Tamra to acquire up to a 70% interest in the highly prospective Detroit gold-copper-molybdenum project (also referred to as the "Drum Project") and Valley/Crossroads copper-gold project in Utah, USA.

DIRECTORS' REPORT (continued)

During June 2020, the Company successfully completed capital raising activities, raising approximately \$2.1 million, with proceeds to be used to complete an initial drill program at both projects. Under the terms of the Option Agreements, Alderan has the option, but not the obligation (except for the Initial Program), to earn up to a 70% interest in each project over a 5-year period, with the initial program/earn-in for each project as follows:

- **Valley/Crossroads Project** - commitment to an Initial Program of US\$500,000 (as amended in August 2020) within one year before Alderan may earn a 51% interest in the project by sole funding an additional US\$4 million on or before the third anniversary of the Option Agreement; and
- **Detroit Project** - commitment to an Initial Program of US\$250,000 within one year before Alderan may earn a 55% interest in the project by sole funding an additional US\$2 million on or before the third anniversary of the Option Agreement.

The **Valley/Crossroads Project** is adjacent to the Company's existing Frisco Project in Utah and has hosted semi-continuous copper mining for more than 100 years, attracting major companies such as Anaconda Copper, Noranda, BHP and WMC to explore parts of the project. This project's location is proximal to excellent infrastructure. However, a fragmented tenement situation has prevented systematic exploration.

The project hosts known porphyry copper mineralisation as well as skarn hosted copper-gold and breccia pipes and breccia hosted gold mineralisation. Historically, very little exploration work has focussed on gold.

Alderan completed an airborne magnetic and radiometric survey at Valley/Crossroads. 3D inversion of all of the magnetic data has been completed to determine geometries, depths to magnetic bodies and magnetite content. The company has acquired ASTER hyperspectral data over the district and processed it to highlight various mineral alteration assemblages. Alderan fast-tracked compilation and validation of previous historic exploration data, in conjunction with field inspection and mapping.

A first soil geochemical survey at **Gold Peak** has been planned and at year-end, this work was underway. Rock chip sampling has been completed. A semi-regional stream/BLEG survey will commence after the soil geochemical survey. These initial exploration works have been used to plan drill holes with permitting commencing on 25 September 2020. The current program is for 3 holes with 500m of drilling in total.

The **Detroit Project** is located in the underexplored Detroit Mining district, located about 56km northwest of Delta, Utah, which has hosted several producing copper/gold mines and is host to a range of mineralisation styles. The project contains a portion of the historical Basin Porphyry, covering porphyry copper/molybdenum mineralisation, as well as sediment and breccia-hosted gold mineralisation, evident in the historically (1980's) mined Drum Gold Mine.

The focus of Alderan's exploration efforts is in the Drum Mountains, where it aims to discover a Carlin-like gold deposit. Carlin-like deposits have a number of key features:

- a) Favourable permeable reactive rocks (silty limestones and limey siltstones);
- b) Favourable structures;
- c) Gold-bearing hydrogeochemical solutions;
- d) Micron sized gold in disseminated pyrite;
- e) Common geochemical indicators As, Sb, Ba, Te, Se, Hg;
- f) Fairly common carbonaceous material.

Alderan has completed detailed geological mapping initially indicating that most of these parameters are satisfied. In addition, Alderan has found previous drill results on the Mitzpah Prospect, which at year-end were being compiled, that include 2,889m of drilling from 124 shallow vertical holes in the gold oxide cap, averaging 23m depth. Alderan has defined a drill program which has been submitted for permitting. Details will be released once finalised, with drilling likely to commence in October 2020.

DIRECTORS' REPORT (continued)

Frisco Project

In November 2019, the Group executed a strategically important agreement for the earn-in and joint venture over its Frisco Project with Kennecott Exploration Company ('Kennecott'), a member of the Rio Tinto Group. The earn-in agreement provides Kennecott the option to sole fund a three-stage earn-in totalling US\$30 million for up to an undivided 70% interest as follows:

- **Option 1** – a four-year option to acquire a 55% undivided interest in the Project by incurring US\$6 million of expenditure within four years of the anniversary of the Agreement, with a minimum of US\$1 million to be expended within the first 18 months;
- **Option 2** – if Kennecott exercises Option 1, a further option to acquire an additional 10% undivided interest (for a total of 65% undivided interest), by incurring an additional US\$9 million in the three-year period after Option 1 has been exercised; and
- **Option 3** – if Kennecott exercises both Options 1 and 2, a further option to earn an additional 5% undivided interest (for a total of 70% undivided interest) by incurring an additional US\$15 million in the three year period after Option 2 has been exercised.

Kennecott has the right to elect to form a joint venture at any time following the satisfaction of the initial earn-in. Kennecott is required to maintain the tenements comprising the Frisco Project in good standing and meet all required annual claim and lease fees, which removes project maintenance costs from the Group.

Kennecott advanced permitting and commenced its initial staged drill program, to comprise approximately 2,000 metres of drilling, to assess the Cactus, Bandit, Accrington and Reciprocity Zone prospects at Frisco.

Kennecott and Alderan's subsidiary, Volantis Resources Corp., worked closely with the Utah Division of Oil, Gas, and Mining to permit near term drilling activities. A total of 15 previously permitted drill sites were removed from Volantis' existing permits and moved into a permit under Kennecott.

During May 2020, Kennecott commenced an initial four-hole 2,000m drill program to test targets at the Cactus Breccias, Accrington Skarn and Reciprocity areas including:

- At the Cactus Breccias, two holes to test for possible continuity between the Cactus and Comet Breccias and provide further insight into the style and controls on the mineralisation.
- At Accrington Skarn, a hole to test an approximately 50m step-out from significant historic intercepts and to help determine continuity in the area.
- At the Reciprocity target, a deeper hole is planned to test the IP anomaly where, based on Kennecott remodelling of geophysical data, a previous hole drilled by Volantis may have been terminated before reaching the anomaly depth.

Progress was slowed due to COVID-19 related protocols in recent months. First assays were received by the laboratory for the first Cactus hole in the June quarter, with QA/QC checks and other internal signoffs awaited to release results to JV partners. Further drilling will be dependent on results of the initial program.

White Mountain Project

The White Mountain Gold prospect is a 5km long, outcropping epithermal system showing many attributes of a large, fully preserved epithermal gold/silver system, with similarities to the blind Midas discovery in Nevada.

Alderan completed a field review at White Mountain to investigate the regional setting and project scale geology. The Project occurs on a western edge of a 15km diameter circular feature defined by regional aeromagnetism. The intersection of major NS and ENE structures coincides with the most intense alteration. Permitting is currently underway with drilling planned for late November.

DIRECTORS' REPORT (continued)

Corporate Activities

During the year, the Company completed a number of capital raising activities including:

- In March 2020, the Company announced a two-tranche placement whereby a total of 30,698,902 ordinary shares were issued at an issue price of \$0.015 per share to raise a total of \$460,484;
- In June 2020, the Company issued 18,000,000 ordinary shares at an issue price of \$0.05 per share to raise a total of \$900,000; and
- In June 2020, the Company also issued Convertible Notes with a face value of \$1.215 million. Shareholders approved the conversion of these Convertible Notes at a Shareholder meeting held on 30 June 2020.

On 5 June 2020, Marat Abzalov resigned as a Director of the Company and on 15 July 2020, Mathew O'Hara replaced Brett Tucker as the Company Secretary and the Company moved its registered corporate office and principle place of business to Suite 23, 513 Hay Street, Subiaco. On 23 September 2020, Nicolaus Heinen resigned as a Non-Executive Director.

DIRECTORS' REPORT (continued)

Dividends

There were no dividends paid, recommended or declared during the year.

Operating results for the year

The comprehensive loss of the Group for the financial year ended 30 June 2020, after providing for income tax amounted to \$1,484,319 (2019: \$3,854,787).

Review of financial conditions

The Group had a net bank balance of \$2,133,424 as at 30 June 2020 (2019: \$749,162).

Loss Per Share

	30 June 2020 \$	30 June 2019 \$
Basic loss per share (cents per share)	<u>(0.92)</u>	<u>(3.26)</u>

Employees

The Company had 7 employees as at 30 June 2020 (2019: 7 employees).

Laws and Regulations

The Group's operations are subject to various laws and regulations under the relevant government legislation. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve the objectives of the Group.

Instances of environmental non-compliance by an operation are identified either by internal investigations, external compliance audits or inspections by relevant government agencies.

There have been no known breaches of laws and regulations by the Group during the year.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED)

This report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of Alderan Resources Limited for the financial year ended 30 June 2020. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Key Management Personnel

The KMP of the Company during or since the end of the financial year were as follows:

Directors	Position	Period of Employment
Mr Ernest Thomas Eadie*	Non-Executive Chairman	Appointed on 23 January 2017
Mr Frank D Hegner	Executive Director	Appointed on 1 November 2017
Mr Nicolaus Heinen	Non-Executive Director	Appointed 1 March 2015 Resigned 23 September 2020
Mr Peter Williams**	Managing Director	Appointed on 13 May 2019
Mr Marat Abzalov	Non-Executive Director	Appointed on 13 May 2019 Resigned 5 June 2020

*Mr Eadie held the role of Executive Chairman between 11 February 2019 and 1 September 2019, when he was appointed Non-executive Chairman.

**Mr Williams held the role of Non-executive Director from 13 May 2019 to 1 September 2019, when he was appointed Managing Director.

Remuneration Policy

The Company's remuneration policy for its KMP has been developed by the Board taking into account the size of the Company, the size of the management team, the nature and stage of development of the Company's current operations, and market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

In addition to considering the above general factors, the Board has also placed emphasis on the following specific issues in determining the remuneration policy for KMP:

- Exploration results; and
- The performance of the Company's shares as quoted on the Australian Securities Exchange.

Remuneration Committee

Due to the current size of the Company, the Board did not implement a Remuneration Committee during the year, as such the Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the Directors and the executive team.

Remuneration structure

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

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Non-executive Director Remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. The Constitution states that the Company may pay to the Non-Executive Directors a maximum total amount of director's fees, determined by the Company in general meeting, or until so determined, as the Directors resolve. The Company intends to put to shareholders at the upcoming Annual General Meeting an aggregate remuneration amount to approve.

Fees for the Non-Executive Directors' are presently set at \$250,000 per annum including superannuation. These fees cover main board activities only. Non-Executive Directors may receive additional remuneration for other services provided to the Company.

The Non-Executive salary remuneration became effective from the date of their appointment as Non-Executive Directors. There were also Company Options issued to Non-Executive Directors in line with Company policy to attract suitable candidates to the position.

Executive Remuneration

The Company's remuneration policy is to provide a fixed remuneration component and a short and long term performance based component. The Board believes that this remuneration policy is appropriate given the considerations discussed in the section above and is appropriate in aligning executives' objectives with shareholder and business objectives.

Fixed Remuneration

Fixed remuneration consists of base salaries, as well as employer contributions to superannuation funds and other non-cash benefits. Fixed remuneration is reviewed annually by the Board. The process consists of a review of company and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices.

Performance Based Remuneration – Short Term Incentive

The Board has not implemented a system where Executives are entitled to annual cash bonuses. No bonuses were paid or are payable in relation to the 2020 financial year.

Performance Based Remuneration – Long Term Incentive

Company Options

The Board has previously chosen to issue Options (where appropriate) to some executives and employees as a key component of the incentive portion of their remuneration, in order to attract and retain the services of the executives and to provide an incentive linked to the performance of the Company.

The Board may grant Options to executives and key consultants with exercise prices at and/or above market share price (at the time of agreement). As such, Incentive Options granted to executives will generally only be of benefit if the executives perform to the level whereby the value of the Company increases sufficiently to warrant exercising the Incentive Options granted. Other than service-based vesting conditions, there are no additional performance criteria on the Incentive Options granted to executives, as given the speculative nature of the Company's activities and the small management team responsible for its running, it is considered the performance of the executives and the performance and value of the Company are closely related. The Company prohibits executives entering into arrangements to limit their exposure to Incentive Options granted as part of their remuneration package.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Long-Term Incentive Plan

The Company has implemented a Long-Term Incentive Plan. Under the Plan, the Company may grant options to subscribe for Shares or performance rights entitling the holder to be issued Shares on terms and conditions set by the Board at its discretion. The material terms of the Plan are as follows:

- a) The purpose of the Plan is to:
 - i. assist in the reward, retention and motivation of eligible persons;
 - ii. to align the interests of eligible persons more closely with the interests of shareholders, by providing an opportunity;
 - iii. for eligible persons receive an equity interest in the form of Awards; and
 - iv. to provide eligible persons with the opportunity to share in any future growth in value of Alderan Resources.

- b) The following persons can participate in the Plan if the Board makes them an offer to do so:
 - i. a director;
 - ii. a full-time or part-time employee;
 - iii. a contractor; or
 - iv. a casual employee of the Company or an associated body corporate and includes a person who may become an eligible person within (i) to (iv) above subject to accepting an offer of engagement for that role.

- c) Plan Options and Plan Rights (collectively Awards) issued under the Plan are subject to the terms and conditions set out in the Rules, which include:
 - i. *Vesting Conditions* – which are time-based criteria, requirements or conditions (as specified in the offer and determined by the Board) which must be met prior to Awards vesting in a participant, which the Board may throughout the course of the period between the grant of an Award and its vesting, waive or accelerate as the Board considers reasonably appropriate;
 - ii. *Performance Conditions* – which are conditions relating to the performance of the Group and its related bodies corporate (and the manner in which those conditions will be tested) as specified in an offer and determined by the Board; and
 - iii. *Exercise Conditions* – which are criteria, requirements or conditions, as determined by the Board or under the Plan, which must be met (notwithstanding the satisfaction of any Vesting Conditions and/or Performance Conditions) prior to a Participant being entitled to exercise vested Awards in accordance with clauses 8 and 9.

- d) In accordance with ASIC Class Order 14/1000, the total Awards that may be issued under the Plan will not exceed 5% of the total number of Shares on issue. In calculating this limit, Awards issued to participants under the Plan other than in reliance upon this Class Order are discounted.

- e) The Board has the unfettered and absolute discretion to administer the Plan.

- f) Awards issued under the Plan are not transferable and will not be quoted on the ASX.

The Rules otherwise contain terms and conditions considered standard for long-term incentive plan rules of this nature. There were 8,500,000 options issued under the Long-Term Incentive Plan during the year (2019: Nil). There were no shares issued under the Long-Term Incentive Plan during the year (2019: Nil).

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Service Agreements

Managing Director Service Agreement – Mr Peter Williams

The material terms of the employment agreement with Mr Peter Williams up until 1 September 2019 were as follows:

- Mr Williams is employed in the position of Non-Executive Director.
- Mr Williams will be paid an annual salary of \$30,000. This salary is inclusive of director's fees and is intended to cover all the services that he may perform for the Company. He is also entitled to receive all reasonable expenses incurred in the fulfilment of his duties.

The Company entered into an Executive Service Agreement with Mr Peter Williams on 1 September 2019. Mr Williams is to provide services as managing director and geological consultant. The material terms of the employment agreement with Mr Williams are as follows:

- Mr Williams is employed in the position of Managing Director.
- Mr Williams will be paid an annual salary of \$100,000 plus superannuation for between two to three working days per week. This salary is inclusive of director's fees and is intended to cover all the services that he may perform for the Company. He is also entitled to receive all reasonable expenses incurred in the fulfilment of his duties.

Executive Director Service Agreement – Mr Tom Eadie

The Company entered into an Executive Service Agreement with Mr Tom Eadie on 11 February 2019. Mr Eadie is to provide services as executive director and chairman. Mr Eadie resigned as Executive Director in conjunction with the appointment of Mr Peter Williams as Managing Director on 1 September 2019. The material terms of the employment agreement with Mr Eadie up until 1 September 2019 were as follows:

- Mr Eadie is employed in the position of Executive Chairman.
- Mr Eadie will be paid an annual salary of \$120,000 plus superannuation for between two to five working days per week. This salary is inclusive of director's fees and is intended to cover all the services that he may perform for the Company. He is also entitled to receive all reasonable expenses incurred in the fulfilment of his duties.

The material terms of the employment agreement with Mr Eadie effective 1 September 2019 were as follows:

- Mr Eadie is employed in the position of Non-executive Chairman.
- Mr Eadie will be paid an annual salary of \$30,000 plus superannuation for between two to five working days per week. This salary is inclusive of director's fees and is intended to cover all the services that he may perform for the Company. He is also entitled to receive all reasonable expenses incurred in the fulfilment of his duties.

Executive Director Service Agreement – Mr Bruno Hegner

The Company entered into an Executive Service Agreement with Mr Bruno Hegner on 23 October 2017. Mr Hegner is employed in the position of Executive Director and Vice President of the Company's subsidiary, Volantis Resources Corp. The material terms of the employment agreement with Mr Hegner are as follows:

- Mr Hegner will be paid an annual salary of US\$129,600 plus superannuation for 60% full time equivalent work hours plus a rate of US\$930 per day for additional days worked in excess of the 60% full time equivalent work hours. This salary is inclusive of director's fees and is intended to cover all the services that he may perform for the Company. He is also entitled to receive all reasonable expenses incurred in the fulfilment of his duties.
- Entitlement to severance and redundancy package payments shall continue to be calculated based on previous annual salary of US\$216,000.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Relationship between Remuneration of KMP and Shareholder Wealth and Earnings

The Board anticipates that the Company will retain earnings (if any) and other cash resources for the development of its exploration projects. The Company does not currently have a policy with respect to the payment of dividends and returns of capital however this will be reviewed on an annual basis. Therefore, there was no relationship between the Board's policy for determining, or in relation to, the nature and amount of remuneration of KMP and dividends paid and returns of capital by the Company during the current and previous four financial years. The Company did not consider appreciation of the Company's shares when setting remuneration. The Board did issue Options to KMP and has implemented a Long-Term Incentive Plan which will generally be of value if the Company's shares appreciate over time.

Remuneration of Key Management Personnel

Details of the nature and amount of each element of the emoluments received by or payable to each of the KMP of Alderan Resources Limited are as follows:

2020	Short-term benefits		Share-based	Share-based	Share-based	Total \$
	Salary & fees \$	Super-annuation \$	payment Shares \$	payment Perf rights \$	payment Options \$	
Directors						
Nicolaus Heinen ¹	30,000	-	-	-	-	30,000
Peter Williams	94,934	8,392	-	-	77,457	180,783
Marat Abzalov ²	53,117	2,612	3,000	-	76,419	135,148
F.D. Hegner	326,508	-	7,692	-	30,567	364,767
Ernest Thomas Eadie	45,000	4,275	-	-	30,567	79,842
Total	549,559	15,279	10,692	-	215,010	790,540

¹ Resigned as a Director on 23 September 2020.

² Resigned as a Director on 5 June 2020.

2019	Short-term benefits		Termination payments \$	Share-based	Share-based	Total \$
	Salary & fees \$	Super-annuation \$		payment Perf rights \$	payment Options \$	
Directors						
Nicolaus Heinen	36,131	-	-	-	18,696	54,827
Chris Wanless ¹	130,875	12,433	120,735 ²	-	31,160	295,203
Peter Williams	3,548	-	-	-	-	3,548
Marat Abzalov	4,032	383	-	-	-	4,415
F.D. Hegner	251,480	-	-	101,420 ⁴	1,058,699	1,411,599
Ernest Thomas Eadie	64,821	6,158	-	-	12,464	83,443
Brett Tucker ⁵	-	-	-	-	-	-
Other KMP						
Peter Geerds ³	132,553	1,267	-	-	31,160	164,980
Total	623,440	20,241	120,735	101,420	1,152,179	2,018,015

¹ Resigned as CEO and Director on 11 February 2019.

² Termination paid upon the resignation of Chris Wanless.

³ Ceased employment on 30 April 2019.

⁴ Share based payment expense relates to an issue of 600,000 performance rights which convert into fully paid ordinary shares upon curtailed share price milestones which remain unconverted at 30 June 2019 and at the date of this report. See Note 15 for further details.

⁵ Was appointed as a non-executive director from 11 February 2019 to 13 May 2019. He did not receive any remuneration for his service as a director.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Remuneration of Key Management Personnel (continued)

No member of KMP appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

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

	Fixed remuneration		At risk - STI		At risk - LTI	
	2020	2019	2020	2019	2020	2019
Directors						
Nicolaus Heinen ¹	100%	66%	-	-	-	34%
Chris Wanless ²	-	89%	-	-	-	11%
Peter Williams	57%	100%	-	-	43%	-
Marat Abzalov ³	41%	100%	-	-	59%	-
F.D. Hegner	90%	17%	-	-	10%	83%
Ernest Thomas Eadie	62%	85%	-	-	38%	15%
Brett Tucker ⁴	-	-	-	-	-	-
Other KMP						
Peter Geerds ⁵	-	81%	-	-	-	19%

¹ Resigned as a Director on 23 September 2020.

² Resigned as CEO and Director on 11 February 2019.

³ Resigned as a Director on 5 June 2020.

⁴ Was appointed as a non-executive director from 11 February 2019 to 13 May 2019. He did not receive any remuneration for his service as a director.

⁵ Ceased employment on 30 April 2019.

Cash bonuses granted as compensation for the current financial year.

No cash bonuses were granted during the year ended 2020 (2019: nil).

Other transactions with related parties

There were no other transactions with related parties during the year ended 30 June 2020 (2019: nil).

Loans from key management personnel

As at 30 June 2020, there were no outstanding amounts due to KMP (2019: nil).

Use of remuneration consultants

During the financial year ended 30 June 2020, the Company did not engage the services of an independent remuneration consultant to review its remuneration for Directors, KMP and other senior executives.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Voting and comments made at the company's Annual General Meeting ('AGM')

The Company received 100% "for" votes on its Remuneration Report for the year ended 30 June 2019.

Incentive Securities granted to KMP

During the financial year, unquoted options were granted to the following key management personnel of the Company and the entities they controlled as part of their remuneration.

KMP	Grant Date	Number	Exercise Price	Expiry Date	Vesting Date
Peter Williams	19 July 2019	2,500,000	\$0.06	19 July 2022	Nil
F.D. Hegner	19 July 2019	1,000,000	\$0.06	19 July 2022	Nil
Ernest Thomas Eadie	19 July 2019	1,000,000	\$0.06	19 July 2022	Nil
Peter Williams	19 July 2019	2,500,000	\$0.10	19 July 2022	Nil
F.D. Hegner	19 July 2019	1,000,000	\$0.10	19 July 2022	Nil
Ernest Thomas Eadie	19 July 2019	1,000,000	\$0.10	19 July 2022	Nil
Marat Abzalov ¹	19 July 2019	5,000,000	\$0.10	19 July 2022	Nil
Peter Williams	30 June 2020	10,000,000	\$0.08	30 June 2023	Nil

¹ Resigned as a Director on 5 June 2020.

KMP Equity Holdings

Fully Paid Ordinary Shares

	Balance at beginning of year	Granted as compensation	Received on exercise of options	Net change other	Balance at end of year
30 June 2020	Number	Number	Number	Number ²	Number
Directors					
Nicolaus Heinen	1,148,751	-	-	-	1,148,751
Peter Williams	-	2,777,667	-	4,343,750	7,121,417
Marat Abzalov ¹	-	200,000	-	1,562,500	1,762,500
F.D. Hegner	-	512,800	-	-	512,800
Ernest Thomas Eadie	2,140,833	-	-	1,760,417	3,901,250

¹ Balance as at 5 June 2020 on resignation.

² All movements relate to Director participation in a capital raising undertaken by the Company.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

KMP Equity Holdings (continued)

Share Options

30 June 2020	Balance at beginning of year Number	Granted as compensation Number	Exercised Number	Net change other Number	Balance at end of year Number
Directors					
Nicolaus Heinen	900,000	-	-	-	900,000
Peter Williams	-	15,000,000	-	1,171,875	16,171,875
Marat Abzalov ¹	-	5,000,000	-	781,250	5,781,250
F.D. Hegner	-	2,000,000	-	-	2,000,000
Ernest Thomas Eadie	600,000	2,000,000	-	546,875	3,146,875

¹ Balance as at 5 June 2020 on resignation.

² All movements relate to Director participation in capital raisings undertaken by the Company.

Performance Rights

30 June 2020	Balance at beginning of year Number	Granted as compensation Number	Converted Number	Net change other Number	Balance at end of year Number
Directors					
Nicolaus Heinen	-	-	-	-	-
Peter Williams	-	-	-	-	-
Marat Abzalov	-	-	-	-	-
F.D. Hegner	600,000	-	-	-	600,000
Ernest Thomas Eadie	-	-	-	-	-

END OF REMUNERATION REPORT

DIRECTORS' REPORT (continued)

Indemnification and insurance of Officers

The Constitution of the Company requires the Company, to the extent permitted by law, to indemnify any person who is or has been a director or officer of the Company for any liability caused as such a director or officer and any legal costs incurred by a director or officer in defending an action for any liability caused as such a director or officer.

During or since the end of the financial year, no amounts have been paid by the Company in relation to the above indemnities.

During the financial year, insurance premiums were paid by the Company to insure against a liability incurred by a person who is or has been a director or officer of the Company.

Indemnity and insurance of Auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Directors' meetings

The number of meetings of Directors (including meetings of Committees of Directors) held during the year and the number of meetings attended by each Director were as follows:

Directors' meetings		
2020	No. eligible to attend	No. attended
Nicolaus Heinen	8	8
Peter Williams	8	8
Marat Abzalov	6	5
F.D. Hegner	8	8
Ernest Thomas Eadie	8	8

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Significant Events After the Reporting Date

- On 15 July 2020, Brett Tucker resigned as Company Secretary and was replaced by Mathew O'Hara. The Company also changed its registered corporate office and principal place of business;
- On 30 July 2020, the Company issued 500,000 ordinary shares in consideration for services performed by a consultant;
- On 30 July 2020, the Company issued 1,875,000 ordinary shares following the exercise of 1,875,000 unquoted options with an exercise price of \$0.10 and an expiry date of 7 August 2022;
- On 3 August 2020, the Company issued 7,000,000 unquoted options to employee and consultants under the Company's Long-Term Incentive Plan. 3,500,000 are exercisable at \$0.195 and 3,500,000 are exercisable at \$0.22, with both tranches having an expiry date of 3 August 2023;
- On 23 September 2020, Nicolaus Heinen resigned as a Non-Executive Director; and

DIRECTORS' REPORT (continued)

Significant Events After the Reporting Date (continued)

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

Other than disclosed above, the directors are not aware of any matters or circumstances not otherwise dealt with in this report or consolidated financial statements that have 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 subsequent financial periods.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 20 to the financial statements. The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are of the opinion that the services as disclosed in Note 20 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- a) all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- b) none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards

Officers of the Company who are former partners of RSM Australia Partners

There are no officers of the Company who are former partners of RSM Australia Partners.

Auditor independence

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.

Signed in accordance with a resolution of the Directors.

Mr Tom Eadie

Chairman

Dated this 30th day of September 2020

[Auditors Independence Declaration]

Alderan Resources Limited

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Notes	30 June 2020	30 June 2019
		\$	\$
Interest income		189	1,560
Consulting and administration expenses	3	(454,148)	(1,233,357)
Depreciation and amortisation expense		(86,120)	(117,229)
Employee benefits expense		(707,434)	(1,073,207)
Foreign exchange (loss)/gain		(63)	14,000
Project expenditure		(227,426)	(120,160)
Share based payment expense	15 (a)	(214,779)	(1,632,625)
Finance costs		(12,480)	(2,091)
Asset sale		-	(4,348)
Loss before income tax expense		(1,702,261)	(4,167,457)
Income tax expense	4	-	-
Loss after income tax for the year		(1,702,261)	(4,167,457)
Other comprehensive income, net of income tax			
Exchange differences on translation of foreign operations		217,942	312,670
Other comprehensive gain for the year, net of income tax		217,942	312,670
Total comprehensive loss for the year		(1,484,319)	(3,854,787)
Loss attributable to members of the Company		(1,484,319)	(3,854,787)
Total comprehensive loss attributable to members the Company for the year		(1,484,319)	(3,854,787)
Basic loss per share (cents per share)	5	(0.92)	(3.26)
Basic loss per share from continuing operations (cents per share)	5	(0.92)	(3.26)

The accompanying notes form part of these consolidated financial statements.

Alderan Resources Limited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	30 June 2020 \$	30 June 2019 \$
Assets			
Current Assets			
Cash and cash equivalents	6	2,133,424	749,162
Trade and other receivables	7	221,516	207,798
Total Current Assets		2,354,940	956,960
Non-Current Assets			
Plant and equipment	8	288,334	341,412
Exploration and evaluation expenditure	9	9,417,490	9,330,402
Total Non-current Assets		9,705,824	9,671,814
Total Assets		12,060,764	10,628,774
Liabilities			
Current Liabilities			
Trade and other payables	10	348,044	771,926
Total Liabilities		348,044	771,926
Net Assets		11,712,720	9,856,848
Equity			
Issued capital	11(a)	19,027,550	16,506,842
Options reserve	11(d)	6,324,230	5,504,747
Performance rights reserve	11(b)	101,420	101,420
Foreign currency reserve	11(c)	744,522	526,580
Accumulated losses		(14,485,002)	(12,782,741)
Net Equity		11,712,720	9,856,848

The accompanying notes form part of these consolidated financial statements.

Alderan Resources Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Issued capital \$	Options reserve	Performance rights reserve	Foreign currency reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2018	12,372,806	3,973,542	-	213,910	(8,615,284)	7,944,974
Loss for the year	-	-	-	-	(4,167,457)	(4,167,457)
Other comprehensive income for the year, net of income tax	-	-	-	312,670	-	312,670
Total comprehensive loss for the year	-	-	-	312,670	(4,167,457)	(3,854,787)
Contributions of equity, net of transaction costs	4,134,036	-	-	-	-	4,134,036
Share based payments	-	1,531,205	101,420	-	-	1,632,625
Balance at 30 June 2019	16,506,842	5,504,747	101,420	526,580	(12,782,741)	9,856,848
Balance at 1 July 2019	16,506,842	5,504,747	101,420	526,580	(12,782,741)	9,856,848
Loss for the year	-	-	-	-	(1,702,261)	(1,702,261)
Other comprehensive income for the year, net of income tax	-	-	-	217,942	-	217,942
Total comprehensive loss for the year	-	-	-	217,942	(1,702,261)	(1,484,319)
Contributions of equity, net of transaction costs	2,520,708	-	-	-	-	2,520,708
Share based payments	-	214,779	-	-	-	214,779
Equity settled transactions	-	604,704	-	-	-	604,704
Balance at 30 June 2020	19,027,550	6,324,230	101,420	744,522	(14,485,002)	11,712,720

The accompanying notes form part of these consolidated financial statements.

Alderan Resources Limited

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	30 June 2020 \$	30 June 2019 \$
Cash flows from operating activities			
Payments to suppliers and employees		(925,970)	(2,492,601)
Payments for exploration and evaluation expenditures		(445,469)	(105,529)
Interest received		(681)	1,560
Interest paid		(12,480)	(2,091)
Net cash (used in) operating activities	6	<u>(1,384,600)</u>	<u>(2,598,661)</u>
Cash flows from investing activities			
Payments for exploration activities capitalised		(411,750)	(2,370,929)
Receipt from sale of plant and equipment		-	39,703
Security deposit		(10,000)	-
Net cash (used in) investing activities		<u>(421,750)</u>	<u>(2,331,226)</u>
Cash flows from financing activities			
Proceeds from issue of shares (net of capital raising costs)		3,014,419	3,745,036
Proceeds from exercise of options		173,438	389,000
Payment of borrowings		-	(37,861)
Net cash provided by financing activities		<u>3,187,857</u>	<u>4,096,175</u>
Net increase / (decrease) in cash held		1,381,507	(833,712)
Effect of foreign exchange		2,755	(82,490)
Cash and cash equivalents at the beginning of the year		749,162	1,665,364
Cash and cash equivalents at the end of the year	6	<u>2,133,424</u>	<u>749,162</u>

The accompanying notes form part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

These consolidated financial statements and notes represent those of Alderan Resources Limited (the Company or parent entity) and Controlled Entities (the Group or consolidated entity). Alderan Resources Limited is a listed public company incorporated and domiciled in Australia.

The separate financial statements of the parent entity, Alderan Resources Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*. Supplementary information about the parent entity is disclosed in Note 19.

The financial statements were authorised for issue on 30th September 2020 by the Directors of the Company.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS). Except for cash flow information, the financial statements have been prepared on an accruals basis. Material accounting policies adopted in preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets at fair value through profit or loss.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within Note 1.

New and Amended Accounting Policies adopted by the Group

The Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the Group's accounting policies.

AASB 16 Leases

The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

When adopting AASB 16 from 1 July 2019, the Group has accounted for leases with a remaining term of 12 months or less as at 1 July 2019 as short-term leases.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Alderan Resources Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it 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 over the entity. A list of controlled entities is contained in Note 16.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of profit or loss and other comprehensive income.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group 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 Group 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.

When the Group changes the proportion of ownership of a non-controlling interest, the difference between the fair value of the consideration paid or received and the adjustment to the balance of the non-controlling interest, is recognised in equity as an adjustment to retained earnings. Such an adjustment to retained earnings does not meet definitions of profit and loss, or other comprehensive income, so is not disclosed in the statement of profit or loss and other comprehensive income. Consideration paid or received for a non-controlling interest is valued as at the transaction date, not as at an earlier authorisation or contract date, because it does not meet the definition of a share-based payment.

b) Operating Segments

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Current and Non-Current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

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

d) Cash and Cash Equivalents

Cash on hand and in banks and short-term deposits are stated at nominal value. For the purpose of the consolidated statement of cash flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within 90 days, net of outstanding bank overdrafts.

e) Foreign Currency Translation

The consolidated financial statements are presented in Australian dollars (AUD), which is also the functional currency of the parent company.

Foreign currency transactions are translated into the functional currency of the parent company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year end exchange rates are recognised in profit or loss.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not retranslated). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

In the Group's financial statements, all assets, liabilities and transactions of group entities with a functional currency other than AUD (the Group's presentation currency) are translated into AUD upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into AUD at the closing rate at the reporting date. Income and expenses have been translated into the Group's presentation currency at the average rate over the reporting period. Exchange differences are charged/credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into AUD at the closing rate.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Financial Instruments

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and are solely principal and interest. All other financial instrument assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income. Financial assets may be impaired based on an expected credit loss model to recognise an allowance. Such impairment is measured with a 12-month expected credit loss model unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime expected credit loss model is adopted.

For financial liabilities, the portion of the change in fair value that relates to the Group's credit risk is presented in other comprehensive income.

Hedge accounting requirements align the accounting treatment with the Group's risk management activities. The Group does not currently have any impaired financial assets, financial liabilities with changes in fair value due to credit risk presented in other comprehensive income, or financial instruments requiring hedge accounting.

g) Trade and Other Payables

Trade payables and other accounts are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services.

h) Trade and Other Receivables

Trade and other receivable are amounts due from related parties and other receivables represent the principal amounts due at balance date plus accrued interest less, where applicable, any unearned income and provision for expected credit loss.

i) Income Tax

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

Deferred tax assets and liabilities are recognised for temporary difference at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probably that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the difference will not reverse in the foreseeable future. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Plant and Equipment

Plant and equipment has been stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value basis to write off the net cost of each item of plant and equipment over their expected useful lives as follows:

Office equipment	3-5 years
Motor vehicles	7 years
Exploration equipment	3-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

k) Exploration and Evaluation Expenditure

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

l) Leases

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

m) Revenue and Other Income

Revenue from contracts with customers is recognised based on the transfer of promised goods or services to customers with an amount that reflects the consideration to which the Group expects to be entitled to in exchange for those goods or services.

Other revenue is recognised when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Research and development tax offset income is recognised when it is received or when the right to receive payment is established. Revenue is measured at the fair value of the consideration received or receivable.

Interest income is recognised using the effective interest rate methods, which, for floating rate financial assets, is the rate inherent in the instrument.

All revenue is stated net of goods and services tax.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n) Goods and Services Tax (GST) and other similar taxes

Revenues, expenses and assets are recognised net of the amount of GST, except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of any asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

o) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation 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. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash flows (cash generating units).

p) Share-Based Payment Transactions

The Company provides benefits to KMP of the Group in the form of share-based payments, whereby the KMP render services in exchange for shares or rights over shares (equity settled transactions). The Company does not provide cash settled share-based payments.

The cost of equity settled transactions with KMP are measured by reference to the fair value of the equity instruments at the date at which they are granted.

The cost of equity settled transactions are recognised, together with a corresponding increase in equity, over the period in which the service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired, and the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognised for the period.

No cumulative expense is recognised for awards that ultimately do not vest (in respect of non-market vesting conditions).

q) Comparative Figures

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

r) Earnings per Share

Basic earnings per share

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r) Earnings per Share (continued)

Diluted earnings per share

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

s) 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.

t) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2020. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Group has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Group may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the Group's financial statements.

u) Critical Accounting 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 expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Capitalised Exploration and Evaluation Expenditure

Exploration and evaluation costs have been capitalised on the basis that activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

Share based payment transactions

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2: SEGMENT REPORTING

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Directors in order to allocate resources to the segment and to assess its performance.

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies. The following tables are an analysis of the Group's revenue and results by reportable segment provided to the Directors for the years ended 30 June 2020 and 30 June 2019.

30 June 2020	Continuing Operations			
	United States of America \$	Australia \$	Unallocated items \$	Consolidated \$
Segment revenue	-	189	-	189
Intersegment revenue	-	-	-	-
Revenue from external customers	-	189	-	189
Segment result	(1,050,273)	(651,988)	-	(1,702,261)
Segment assets	9,890,232	2,170,532	-	12,060,764
Segment liabilities	15,710	332,334	-	348,044

30 June 2019	Continuing Operations			
	United States of America \$	Australia \$	Unallocated items \$	Consolidated \$
Segment revenue	-	1,560	-	1,560
Intersegment revenue	-	-	-	-
Revenue from external customers	-	1,560	-	1,560
Segment result	(1,740,023)	(2,427,434)	-	(4,167,457)
Segment assets	9,913,554	715,220	-	10,628,774
Segment liabilities	549,861	222,065	-	771,926

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 3: EXPENSES

	30 June 2020 \$	30 June 2019 \$
Consulting and administration expense		
Accountancy fees	55,250	70,480
Listing fees	30,499	43,711
Rent	37,844	126,289
Administration and consultancy fees	217,391	753,762
Insurance	32,932	97,706
Legal fees	56,284	45,268
Exploration project related costs and others	20,073	32,911
Promotion and investor relations	256	15,822
Travel expenses	3,619	47,408
	<u>454,148</u>	<u>1,233,357</u>

NOTE 4: INCOME TAX

(a) Income tax benefit	<u>-</u>	<u>-</u>
(b) Numerical reconciliation between tax-benefit and pre-tax net loss		
Accounting (loss) before income tax	(1,702,261)	(4,167,457)
Income tax benefit using the Company's domestic tax rate of 27.5% (2019: 27.5%)	(468,122)	(1,146,051)
Other non-deductible items	(68,990)	(553,882)
Unrecognised deferred tax asset attributable to tax losses and temporary differences	537,112	1,699,933
Income tax attributable to entity	<u>-</u>	<u>-</u>
(c) Unrecognised deferred tax		
Tax losses for which no deferred tax asset has been recognised		
Losses available for offset against future taxable income	<u>(5,891,143)</u>	<u>(9,068,666)</u>
Total	<u>(5,891,143)</u>	<u>(9,068,666)</u>
Potential tax benefits at 27.5% (2019: 27.5%)	<u>(1,620,064)</u>	<u>(2,493,883)</u>

The benefit of deferred tax assets not brought to account will only be brought to account if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- no changes in tax legislation adversely affect the Company in realising the benefit.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 5: LOSS PER SHARE

	30 June 2020	30 June 2019
	Cents per share	Cents per share
Basic loss per share	(0.92)	(3.26)
Basic loss per share from continuing operations	(0.92)	(3.26)
Losses used in the calculation of basic and diluted loss per share is as follows:	\$	\$
Loss for the year	(1,702,261)	(4,167,457)
Loss from continuing operations	(1,702,261)	(4,167,457)

The weighted average number of ordinary shares used in the calculation of basic and diluted loss per share is as follows:

	Number	Number
Weighted average number of ordinary shares for the purpose of basic loss per share	185,884,127	127,879,527

NOTE 6: CASH AND CASH EQUIVALENTS

Reconciliation to the Statement of Cash Flows:

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank, net of outstanding bank overdrafts. Cash and cash equivalents as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	30 June 2020	30 June 2019
	\$	\$
Cash in bank and on hand	2,133,424	749,162
	<u>2,133,424</u>	<u>749,162</u>

Reconciliation of loss after tax to net cash outflow from operating activities:

Loss for the year	(1,702,261)	(4,167,457)
Adjustment for non-cash income and expense items		
Depreciation and amortisation	86,120	117,229
Loss on sale of assets	-	4,348
Share-based payment expense	214,779	1,632,625
Change in assets and liabilities		
Trade and other receivables	767	(14,377)
Trade and other payables	15,995	(171,029)
Net cash (outflow) from operating activities	<u>(1,384,600)</u>	<u>(2,598,661)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 7: TRADE AND OTHER RECEIVABLES

	30 June 2020	30 June 2019
	\$	\$
Bonds	169,022	175,711
GST receivable	27,387	16,811
Sundry debtors	871	-
Prepayment	14,236	15,276
Security deposit	10,000	-
	<u>221,516</u>	<u>207,798</u>

NOTE 8: PLANT AND EQUIPMENT

	Office Equipment \$	Motor Vehicle \$	Exploration Equipment \$	Total \$
Balance at 1 July 2018	5,802	140,773	356,118	502,693
Asset sale	-	(44,053)	-	(44,053)
Depreciation	(1,570)	(18,530)	(97,128)	(117,228)
Balance at 1 July 2019	4,232	78,190	258,990	341,412
Depreciation	(1,208)	(12,413)	(72,499)	(86,120)
Exchange differences	417	7,080	25,545	33,042
Balance at 30 June 2020	<u>3,441</u>	<u>72,857</u>	<u>212,036</u>	<u>288,334</u>

NOTE 9: EXPLORATION AND EVALUATION EXPENDITURE

	30 June 2020	30 June 2019
	\$	\$
Carrying value at the beginning of the year	9,330,402	6,564,208
Expenditure incurred during the year	411,750	2,370,929
Expenditure reversal*	(552,862)	-
Exchange differences	228,200	395,265
Carrying value at the end of the year	<u>9,417,490</u>	<u>9,330,402</u>

**Related to reversal of liabilities recognised in prior year transferred to Kennecott Exploration Company upon execution of the Earn-In Agreement with Kennecott Exploration Company in November 2019.*

NOTE 10: TRADE AND OTHER PAYABLES

Trade creditors	208,320	101,764
Accruals and other payables	139,724	173,162
Property acquisition payment	-	497,000
Total	<u>348,044</u>	<u>771,926</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 11: ISSUED CAPITAL

a) Ordinary shares	Year to 30 June 2020		Year to 30 June 2019	
	No.	\$	No.	\$
<i>Fully paid</i>				
Balance at beginning of year	162,011,135	16,506,842	112,963,908	12,372,806
Options exercised (i)	2,734,375	173,438	1,645,000	389,000
Issue of shares (ii)	605,989	30,000	15,000,000	3,000,000
Issue of shares (iii)	17,597,773	563,128	32,402,227	1,036,871
Issue of shares (iv)	27,032,235	405,483	-	-
Issue of shares (v)	18,000,000	900,000	-	-
Issue of shares (vi)	3,666,667	55,000	-	-
Issue of shares (vii)	3,490,467	52,357	-	-
Issue of shares (viii)	24,300,000	1,215,000	-	-
Less: share issue costs	-	(873,698)	-	(291,835)
Balance at the end of the year	259,438,641	19,027,550	162,011,135	16,506,842

- (i) The Company issued a total of 2,734,375 shares on the exercise of 2,500,000 options exercisable at \$0.06 each and 234,375 options exercisable at \$0.10 each;
- (ii) The Company issued 605,989 ordinary shares in consideration for the deferral of acquisition payment for mineral claims within the Frisco Project;
- (iii) The Company issued 17,597,773 ordinary shares at a price of \$0.032 per share under a Placement in August 2019;
- (iv) The Company issued 27,032,235 ordinary shares at a price of \$0.015 per share under a Placement in April 2020;
- (v) The Company issued 18,000,000 ordinary shares at a price of \$0.05 per share under a Placement in June 2020;
- (vi) Following Shareholder approval received in June 2020 allowing Directors to participate in the April 2020 Placement, the Company issued an additional 3,666,667 ordinary shares at a price of \$0.015 per share;
- (vii) Following Shareholder approval received in June 2020 a total of 3,490,467 ordinary shares were issued to Directors in lieu of Director fees; and
- (viii) Following Shareholder approval received in June 2020 a total of 24,300,000 ordinary shares were following conversion of convertible notes at a conversion price of \$0.05 per share.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 11: ISSUED CAPITAL (CONTINUED)

b) Performance rights reserve	Year to 30 June 2020		Year to 30 June 2019	
	No.	\$	No.	\$
<i>Fully paid</i>				
Balance at beginning of year	600,000	101,420	-	-
Issue of performance rights (i)	-	-	600,000	101,420
Balance at the end of the year	600,000	101,420	600,000	101,420

(i) 600,000 performance rights to Director Bruno Hegner as an incentive for future performance as approved by shareholders. The performance rights comprise three tranches:

- 200,000 converting into fully paid ordinary shares once the closing share price as quoted on the ASX is greater than \$1.00 for more than a total of 120 trading days within two years from grant date;
- 200,000 converting into fully paid ordinary shares once the closing share price as quoted on the ASX is greater than \$1.50 for more than a total of 120 trading days within three years from grant date; and
- 200,000 converting into fully paid ordinary shares once the closing share price as quoted on the ASX is greater than \$2.00 for more than a total of 120 trading days within four years from grant date.

The conditions for conversion of the performance rights into fully paid ordinary shares were not met by 30 June 2020 or at the date of this report.

c) *Foreign Currency Reserves*

	30 June 2020 \$	30 June 2019 \$
Balance at beginning of year	526,580	213,910
Movement during the year	217,942	312,670
Balance at the end of the year	744,522	526,580

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 11: ISSUED CAPITAL (CONTINUED)

d) Options

	30 June 2020		30 June 2019	
	No.	\$	No.	\$
Balance at beginning of year	15,787,454	5,504,747	20,707,454	3,973,541
Exercise of existing options (i)	(2,734,375)	-	(1,645,000)	-
Issue of options to Directors and KMP (ii)	14,750,000	224,168	-	-
Issue of free attaching options (iii)	25,000,000	-	-	-
Issue of options to Lead Manager (iv)	10,000,000	74,370	-	-
Issue of options to employees (v)	750,000	10,196	-	-
Issue of options to Lead Manager (vi)	5,000,000	530,334	-	-
Issue of options to Managing Director (vii)	10,000,000	1,039	-	-
Existing options to employees and management vesting	-	-	-	534,491
Options forfeited	-	(20,624)	(1,075,000)	(187,242)
Options cancelled/expired (viii)	(7,127,454)	-	(2,200,000)	1,183,957
Balance at the end of the year	71,425,625	6,324,230	15,787,454	5,504,747

The weighted average exercise price of options outstanding at the end of the financial year was \$0.23 (2019: \$0.11).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.96 years (2019: 1.37 years).

- (i) The Company issued a total of 2,734,375 shares on the exercise of 2,500,000 options exercisable at \$0.06 each and 234,375 options exercisable at \$0.10 each;
- (ii) On 19 July 2019, 14,750,000 unlisted options were issued as follows:
 - o 7,000,000 unlisted incentive options to Directors exercisable at \$0.06 on or before 19 July 2022;
 - o 7,000,000 unlisted incentive options to Directors exercisable at \$0.10 on or before 19 July 2022;
 - o 750,000 unlisted incentive options to KMP exercisable at \$0.10 on or before 19 July 2022;
- (iii) On 7 August 2019, 25,000,000 free attaching unlisted options were issued as part of a Placement with an exercisable price of \$0.10 on or before 7 August 2022;
- (iv) On 7 August 2019, 10,000,000 unlisted options were issued to the lead manager for services provided. 5,000,000 are exercisable at \$0.10 on or before 7 August 2021 and 5,000,000 are exercisable at \$0.20 on or before 7 August 2021. These have been allocated to capital raising costs;
- (v) On 19 July 2019, 750,000 unlisted options were issued to employees with an exercisable price of \$0.10 on or before 19 July 2022;
- (vi) On 30 June 2020, 5,000,000 unlisted options, exercisable at \$0.12 on or before 30 June 2023, were issued to the lead manager for services provided. These have been allocated to capital raising costs;
- (vii) On 30 June 2020, 10,000,000 unlisted options, exercisable at \$0.08 on or before 30 June 2023, were issued to the Managing Director following shareholder approval. These options vest following 12 months continuous service (30 June 2021); and
- (viii) The following unlisted options expired or were cancelled during the year:
 - o 1,777,454 unlisted options exercisable at \$0.20 on or before 22 February 2020;
 - o 2,300,000 unlisted options exercisable at \$0.30 on or before 31 May 2020;
 - o 2,300,000 unlisted options exercisable at \$0.40 on or before 31 May 2020; and
 - o 750,000 unlisted options exercisable at \$0.10 on or before 19 July 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 11: ISSUED CAPITAL (CONTINUED)

Number	Grant Date	Expiry Date	Share price at grant date	Exercise Price \$	Expected volatility	Dividend yield	Risk-free rate	Fair value at Grant Date \$	Vesting Date	Recognised as an Expense in 2020 \$
7,000,000	19-Jul-2019	19-Jul-2022	0.033	0.06	102%	-	0.95%	118,814	19-Jul-2019	118,814
7,750,000	19-Jul-2019	19-Jul-2022	0.033	0.10	102%	-	0.95%	105,354	19-Jul-2019	105,354
750,000	19-Jul-2019	19-Jul-2022	0.033	0.10	102%	-	0.95%	10,196	19-Jul-2019	10,196
10,000,000	30-Jun-2020	30-Jun-2023	0.145	0.08	102%	-	0.26%	1,138,416	30-Jun-2021	1,039
25,500,000								1,372,780		235,403*

* \$214,779 share based payment expense per consolidated statement of profit or loss and other comprehensive income including \$20,624 reversal for options unvested.

Number	Grant Date	Expiry Date	Share price at grant date	Exercise Price \$	Expected volatility	Dividend yield	Risk-free rate	Fair value at Grant Date \$	Vesting Date	Recognised as Capital Raising costs in 2020 \$
5,000,000	7-Aug-2019	7-Aug-2022	0.033	0.10	102%	-	0.71%	47,565	7-Aug-2019	47,565
5,000,000	7-Aug-2019	7-Aug-2022	0.033	0.20	102%	-	0.71%	26,805	7-Aug-2019	26,805
5,000,000	30-Jun-2020	30-Jun-2023	0.145	0.12	102%	-	0.26%	530,334	19-Jul-2019	530,334
15,000,000								604,704		604,704

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 12: CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2020 (2019: nil).

NOTE 13: SIGNIFICANT EVENTS AFTER THE REPORTING DATE

- On 15 July 2020, Brett Tucker resigned as Company Secretary and was replaced by Mathew O’Hara. The Company also changed its registered corporate office and principal place of business;
- On 30 July 2020, the Company issued 500,000 ordinary shares in consideration for services performed by a consultant;
- On 30 July 2020, the Company issued 1,875,000 ordinary shares following the exercise of 1,875,000 unquoted options with an exercise price of \$0.10 and an expiry date of 3 August 2022;
- On 3 August 2020, the Company issued 7,000,000 unquoted options to employee and consultants under the Company’s Long-Term Incentive Plan. 3,500,000 are exercisable at \$0.195 and 3,500,000 are exercisable at \$0.22, with both tranches having an expiry date of 3 August 2023;
- On 23 September 2020, Mr Nicolaus Heinen resigned as a Non-Executive Director; and
- The impact of the Coronavirus (COVID-19) pandemic is ongoing, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than disclosed above, the directors are not aware of any matters or circumstances not otherwise dealt with in this report or consolidated financial statements that have 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 subsequent financial periods.

NOTE 14: DIVIDENDS

The directors have not declared any dividend for the year ended 30 June 2020 (2019: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 15: SHARE-BASED PAYMENTS

a) Recognised share-based payment expense

From time to time, the Company provides Incentive Options to officers, employees, consultants and other key advisors as part of remuneration and incentive arrangements. The number of options granted, and the terms of the options granted are determined by the Board. Shareholder approval is sought where required. During the past two years, the following equity-settled share-based payments have been recognised:

	30 June 2020 \$	30 June 2019 \$
Expense arising from option-settled share-based payment transactions	214,779	1,531,205
Expense arising from performance right-settled share-based payment transactions	-	101,420
Net share based payment expense recognised in the profit or loss	214,779	1,632,625

b) Summary of options granted as share-based payments

The following table illustrates the number and weighted average exercise prices (WAEP) of Incentive Options granted as share-based payments at the beginning and end of the financial year:

	30 June 2020		30 June 2019	
	Number	WAEP	Number	WAEP
Outstanding at beginning of year	15,787,454	0.48	20,707,454	\$0.83
Granted by the Company during the year	40,500,000	0.10	-	-
Exercised during the year	(2,500,000)	(0.06)	(1,645,000)	(\$0.24)
Forfeited/Expired during the year	(6,377,454)	(0.31)	(1,075,000)	(\$1.83)
Cancelled during the year	-	-	(2,200,000)	(\$3.27)
Outstanding at end of year	47,410,000	0.20	15,787,454	\$0.48

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 15: SHARE-BASED PAYMENTS (continued)

c) Summary of performance rights granted as share-based payments

On 24 August 2018, 600,000 performance rights were issued to Mr. Hegner under the Long-Term Incentive Plan, on the terms and conditions detailed as follows:

Class	Number	Expiry Date	Vesting Conditions
A	200,000	24 August 2018	Converting into fully paid ordinary shares once the closing share price as quoted on the ASX is greater than \$1.00 for more than a total of 120 trading days within 2 years from grant date.
B	200,000	24 August 2018	Converting into fully paid ordinary shares once the closing share price as quoted on the ASX is greater than \$1.50 for more than a total of 120 trading days within 3 years from grant date.
C	200,000	24 August 2018	Converting into fully paid ordinary shares once the closing share price as quoted on the ASX is greater than \$2.00 for more than a total of 120 trading days within 4 years from grant date.

The Group has measured the fair value of the performance rights issued during the half year by using the Monte-Carlo pricing model with the following inputs.

Class	Grant Date	Expiry Date	Spot Price	Vesting Hurdle (120 days)	Fair value	Expected Volatility	Dividend Yield	Interest Rate
A	24 Aug-18	24 Aug-20	\$0.34	\$1.00	\$0.15	100%	0%	1.98%
B	24 Aug-18	24 Aug-21	\$0.34	\$1.50	\$0.17	100%	0%	2.03%
C	24 Aug-18	24 Aug-22	\$0.34	\$2.00	\$0.19	100%	0%	2.21%

NOTE 16: RELATED PARTY TRANSACTIONS

a) Key management personnel

	30 June 2020 \$	30 June 2019 \$
Short-term employee benefits	564,838	643,681
Post-employment benefits	-	120,735
Share-based payments – shares	10,692	-
Share-based payments – performance rights	-	101,420
Share-based payments - options	215,010	1,152,179
	<u>790,540</u>	<u>2,018,015</u>

b) Related party balances

As at 30 June 2020, there were no balances owed from/to key management personnel and or companies associated with the shareholders and Directors (2019: nil)

c) Other transactions with related parties

There were no other transactions with related parties during the year ended 30 June 2020 (2019: \$18,732).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 16: RELATED PARTY TRANSACTIONS (continued)

d) Subsidiaries

The consolidated financial statements include the financial statements of Alderan Resources Limited and the following subsidiaries:

Subsidiary	Country of incorporation	Equity interest (%)	
		30 June 2020	30 June 2019
Volantis Resources Corp, Inc.	USA	100%	100%
Valyrian Resources Corp.	USA	100%	100%
Alderan US Holdings, Inc	USA	100%	100%
Star Range US Holdings, Inc	USA	100%	100%
Star Range Resources Limited	AUS	100%	100%

Alderan Resources Limited is the ultimate Australian parent entity and ultimate parent of the Group.

NOTE 17: FINANCIAL INSTRUMENTS

a) Overview

The Group's principal financial instruments comprise receivables, payables, cash and cash equivalents. The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk and foreign currency risk. This note presents information about the Company's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Other than as disclosed, there have been no significant changes since the previous financial year to the exposure or management of these risks.

The Group manages its exposure to key financial risks in accordance with the Company's risk management policy. Key financial risks are identified and reviewed annually and policies are revised as required. The overall objective of the Company's risk management policy is to recognise and manage risks that affect the Company and to provide a stable financial platform to enable the Company to operate efficiently.

The Group does not enter into derivative transactions to mitigate the financial risks. In addition, the Company's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the Company's operations change, the Directors will review this policy periodically going forward. The Directors have overall responsibility for the establishment and oversight of the risk management framework. The Directors review and approve policies for managing the Company's financial risks as summarised below.

<i>Categories of financial instruments</i>	30 June 2020	30 June 2019
	\$	\$
<u>Financial assets</u>		
Cash on hand and in bank	2,133,424	749,162
Trade and other receivables	221,516	207,798
	2,354,940	956,960
<u>Financial liabilities</u>		
Trade and other payables	348,044	771,926
	348,044	771,926

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 17: FINANCIAL INSTRUMENTS (continued)

b) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from prior years. The capital structure of the Company consists of debt, cash and cash equivalents and equity, comprising issued capital, reserves and retained earnings (accumulated losses). Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, dividends and general administrative outgoings.

Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital.

c) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses publicly available financial information and its own trading record to rate its major customers.

The Company does not have any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents and trade and other receivables.

There are no significant concentrations of credit risk within the Company. The carrying amount of the Company's financial assets represents the maximum credit risk exposure, as represented below:

	30 June 2020	30 June 2019
	\$	\$
Cash on hand and in bank	2,133,424	749,162
Trade and other receivables	221,516	207,798
Total	2,354,940	956,960

Trade and other receivables are comprised primarily of sundry receivables and GST refunds due. Where possible the Company trades only with recognised, creditworthy third parties

With respect to credit risk arising from cash and cash equivalents, the Company's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

d) Interest Rate Risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the bank deposits with floating interest rate.

These financial assets with variable rates expose the Company to cash flow interest rate risk. All other financial assets and liabilities, in the form of receivables and payables are non-interest bearing.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 17: FINANCIAL INSTRUMENTS (continued)

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

	30 June 2020	30 June 2019
	\$	\$
<i>Interest-bearing financial instruments</i>		
Bank balances	2,133,424	749,162
	<u>2,133,424</u>	<u>749,162</u>

The Company currently does not engage in any hedging or derivative transactions to manage interest rate risk.

Interest rate sensitivity

A sensitivity of 0.1% (10 basis points) has been selected as this is considered reasonable given the current level of both short term and long term interest rates. A 1% (100 basis points) movement in interest rates at the reporting date would have increased (decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2019.

30 June 2020 - Profit or loss		30 June 2019 - Profit or loss	
100bp Increase	100bp Decrease	100bp Increase	100bp Decrease
21,334	(21,334)	7,492	(7,492)

e) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Company will always have sufficient liquidity to meet its liabilities when due by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The contractual maturities of financial liabilities, including estimated interest payments, are provided below. There are no netting arrangements in respect of financial liabilities.

30 June 2020	≤6 Months	6-12 Months	1-5 Years	≥5 Years	Total
	\$	\$	\$	\$	\$
<i>Financial Liabilities</i>					
Trade and other payables	348,044	-	-	-	348,044
Total	<u>348,044</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>348,044</u>
30 June 2019	≤6 Months	6-12 Months	1-5 Years	≥5 Years	Total
	\$	\$	\$	\$	\$
<i>Financial Liabilities</i>					
Trade and other payables	273,960	497,966	-	-	771,926
Total	<u>273,960</u>	<u>497,966</u>	<u>-</u>	<u>-</u>	<u>771,926</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 17: FINANCIAL INSTRUMENTS (continued)

f) Foreign Exchange Risk

The Company has an exposure to foreign exchange rates given that the Company operates in the United States of America. A fluctuation in foreign exchange rates may affect the cost base of the costs and expenses of the Company. The carrying amounts of the Company's foreign currency denominated monetary liabilities as at the reporting date expressed in Australian dollars are as follows:

	30 June 2020	30 June 2019
	\$	\$
US dollar denominated balances	<u>15,386</u>	<u>66,030</u>

Foreign currency sensitivity analysis

The sensitivity analysis below details the Company's sensitivity to an increase/decrease in the Australian Dollar against the United States Dollar. The sensitivity analysis includes only outstanding foreign currency denominated monetary items. A 100 basis point is the sensitivity rate used when reporting foreign currency risk internally to management and represents management's assessment of the possible change in foreign exchange rates.

At reporting date, if foreign exchange rates had been 100 basis points higher or lower and all other variables held constant, the Company's loss will increase/decrease by \$150 (2019: \$660); and net assets will increase/decrease by \$150 (2019: \$660).

The Company's sensitivity to foreign exchange rates has not changed significantly from prior year.

g) Fair values

The net fair value of financial assets and financial liabilities approximates their carrying value. The methods for estimating fair value are outlined in the relevant notes to the financial statements.

NOTE 18: COMMITMENTS

	30 June 2020	30 June 2019
	\$	\$
Exploration expenditure and annual lease/claim payments Committed at the reporting date but not recognised as liability:		
Within one year	930,105	655,394
One to five years	121,287	369,918
	<u>1,051,392</u>	<u>1,025,312</u>

Where the commitments are due in US Dollars, the Company has used the spot rate on 30 June 2020 as a conversion for the commitments into Australian Dollars.

In order to maintain current rights of tenure to exploration tenements, the Company is required to outlay rentals and to meet the minimum expenditure requirements by the Mineral Resources Authority. Minimum expenditure commitments may be subject to renegotiation and with approval may otherwise be avoided by sale, farm out or relinquishment. These obligations are not provided for in the financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 19: PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

	Parent	
	30 June 2020	30 June 2019
	\$	\$
Statement of profit or loss and other comprehensive income		
Loss after income tax	(1,484,320)	(3,854,787)
Total comprehensive loss	<u>(1,484,320)</u>	<u>(3,854,787)</u>
Financial Position		
Total Assets	12,045,054	10,078,913
Total Liabilities	<u>(332,334)</u>	<u>(222,065)</u>
Net Assets	11,712,720	9,856,848
Issue Capital	19,027,550	16,506,842
Reserves	6,425,650	5,606,166
Accumulated Losses	<u>(13,740,480)</u>	<u>(12,256,160)</u>
Total Equity	<u><u>11,712,720</u></u>	<u><u>9,856,848</u></u>

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2020 and 30 June 2019.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2020 and 30 June 2019.

Capital commitments

There are no commitments which relate solely to the parent entity.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 1, except for the following:

- a. Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity

NOTE 20: AUDITOR'S REMUNERATION

The auditor of the Group is RSM Australia Partners.

	30 June 2020	30 June 2019
	\$	\$
Audit or review of the financial statements	<u><u>34,750</u></u>	<u><u>31,500</u></u>

DIRECTORS' DECLARATION

In the opinion of the Directors:

1. The consolidated financial statements and notes thereto are 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 2020 and its performance for the year then ended; and
 - b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. The consolidated financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001.

This declaration is signed in accordance with a resolution of the Board of Directors.

Mr Tom Eadie

Chairman

Dated this 30th day of September 2020

Audit Report (allow 3 pages)

Audit Report (allow 3 pages)

Audit Report (allow 3 pages)

CORPORATE GOVERNANCE

The Company has adopted comprehensive 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 applicable, our Company has adopted the Recommendations.

No.	PRINCIPLES AND RECOMMENDATIONS (Summary)	COMPLIES	COMMENT
1.	LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT		
1.1	A listed entity should disclose the respective roles and responsibilities of its board and management; and those matters expressly reserved to the board and those delegated to management.	Yes	<p>The Board is ultimately accountable for the performance of the Company and provides leadership and sets the strategic objectives of the Company. It appoints all senior executives and assesses their performance on at least an annual basis. It is responsible for overseeing all corporate reporting systems, remuneration frameworks, governance issues, and stakeholder communications. Decisions reserved for the Board relate to those that have a fundamental impact on the Company, such as material acquisitions and takeovers, dividends and buybacks, material profits upgrades and downgrades, and significant closures.</p> <p>The Company has developed a Board Charter which sets out the roles and responsibilities of the Board, a copy of which is available on the Company's website.</p>
1.2	<p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	Yes	<p>The Company undertakes comprehensive reference checks prior to appointing a director or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of a director.</p> <p>In addition, the Company's Nomination Committee Charter establishes accountability for requiring appropriate checks of potential directors to be carried out before appointing that person or putting them forward as a candidate for election, and this will be undertaken with respect to all future appointments.</p>
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	The Company maintains written agreements with each of its Directors and senior executives setting out their roles and responsibilities and the terms of their appointment.

1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the Board.	Yes	The Company Secretary is engaged by the Company to manage the proper function of the Board. The Company Secretary reports directly to the Chair and is accountable to the Board.
1.5	A listed entity should have a diversity policy and should disclose at the end of each reporting period the measurable objectives for achieving gender diversity and the progress towards achieving those objectives.	Partial	<p>The Company recognises the importance of equal employment opportunity. The Company's corporate code of conduct provides a framework for undertaking ethical conduct in employment. Under the corporate code of conduct, the Company will not tolerate any form of discrimination or harassment in the workplace.</p> <p>However, the Company has determined to not initially adopt a formal policy and establish measurable objectives for achieving gender diversity (and accordingly, will not initially be in a position to report against measurable objectives). The Board considers that its approach to gender diversity and measurable objectives is justified by the current nature, size and scope of the business, but will consider in the future, once the business operations of the Company mature, whether a more formal approach to diversity is required.</p> <p>The Company currently has no female board members or senior executives.</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors;</p> <p>(b) and disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Yes	<p>The Board will review its performance annually, as well as the performance of individual Committees and individual directors (including the performance of the Chairman as Chairman of the Board).</p> <p>The Company has undertaken an annual review which is still ongoing and will be reported in the Company's next Annual Report.</p>
1.7	A listed entity should have and disclose a process for periodically evaluating the performance of its senior executives and disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	The Board is responsible for periodically evaluating the performance of senior executives. The Board is to arrange an annual performance evaluation of the senior executives. Performance evaluations were undertaken during the reporting period in accordance with the process.

2.	LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT		
2.1	<p>The Company should have a Nomination Committee which has at least 3 members a majority of whom are independent and is chaired by an independent director.</p> <p>If it does not have a nomination committee, the Board should disclose that fact and the processes it employs to address board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	Yes	<p>The Board has not established a separate nomination committee. Given the scale of the Company's operations, it is anticipated that the full Board will be able to continue adequately discharge the functions of a Nomination Committee for the short to medium term. The Board will consider establishing a Nomination Committee when the size and complexity of the Company's operations and management warrant it. In the meantime, the Company has adopted a Nomination Committee Charter and Remuneration Committee Charter, which includes specific responsibilities to be carried out by those committees when they are established.</p> <p>The Company's Nomination Committee Charter and Remuneration Committee Charter are available on the Company's website.</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	No	<p>The Board has been specifically constituted with the mix of skills and experience that the Company requires to move forward in implementing its business objectives. The composition of the Board and the performance of each Director will be reviewed from time to time to ensure that the Board continues to have a mix of skills and experience necessary for the conduct of the Company's activities as the Company's business matures and evolves.</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship which may otherwise be seen as a conflict to the director's obligation to the company but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service for each director</p>	Yes	<p>Details of the Directors and their independence status as at 30 June 2020 as follows:</p> <ul style="list-style-type: none"> - Tom Eadie, Non-executive Chairman – Not independent - Peter Williams, Managing Director – Not independent - Hegner, Executive Director - Not independent - Nicolaus Heinen, Non-executive Director – Not independent <p>The independence of each Director has been determined in taking into account the relevant factors suggested in The Corporate Governance Principles and Recommendations (3rd Edition) as published by ASX Corporate Governance Council (Recommendations) (Independence Factors).</p> <p>The length of service for each director is disclosed in this Annual Report.</p>

2.4	A majority of the board of a listed entity should be independent directors	No	As disclosed in the response to Recommendation 2.3 above, none of the Directors are considered to be independent. However, the Company is confident that current composition of the Board is optimal for its current level of operations, and is therefore in the best interests of the Company and its shareholders. The Board will review the balance of independence on the Board on an on-going basis, and will implement changes at its discretion having regard to the Company's growth and changing management and operational circumstances.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity	No	Mr Eadie is the Chairman and is not considered to be independent by virtue of him acting in the capacity of an Executive Chairman between 11 February 2019 and 1 September 2019.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	Upon appointment to the Board new Directors are provided with Company policies and procedures and are provided an opportunity to discuss the Company's operations with senior management and the Board. The Company encourages its Directors to participate in professional development opportunities presented to the Company and provides appropriate industry information to its Board members on a regular basis.
3.	PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING		
3.1	A listed entity should have a code of conduct for its directors, senior executives and employees and disclose that code or a summary of it.	Yes	The Company has adopted a Code of Conduct, which provides a framework for decisions and actions in relation to ethical conduct in business. All of the Company's directors and employees are required to comply with the standards of behaviour and business ethics in accordance with the law and the Code of Conduct. The Code of Conduct is disclosed on the Company's website.
4.	SAFEGUARD INTEGRITY IN FINANCIAL REPORTING		
4.1	The Board of a listed entity should have an audit committee which consists of at least 3 members all of whom are non- executive directors and a majority of whom are independent directors and the committee should be chaired by an	Yes	The Board has not established a separate audit committee. Given the present size of the Company and the scale of its operations, the Board has decided that the full Board can adequately discharge the functions of an audit committee. The Board will establish an Audit Committee when the size and complexity of the Company's operations and management warrant it.

	<p>independent director who is not the chair of the board.</p> <p>If it does not have an audit committee, the Board should disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>		<p>In the meantime, the Board has adopted an Audit and Risk Committee Charter, which includes specific responsibilities relating to audit and risk, and which the Board uses as a guide when acting in the capacity of the Audit Committee.</p> <p>The Company's Audit and Risk Committee Charter is available on the Company's website.</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	Yes	<p>The Board will continue to require a conforming declaration from the relevant key executive or executives before it approves the entity's financial statements for each financial period, consistent with practise to date.</p>
4.3	<p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	Yes	<p>The Company's external auditor will be invited to attend all Annual General Meetings of the Company and will be available to answer questions from security holders relevant to the audit.</p>
5.	MAKE TIMELY AND BALANCED DISCLOSURES		
5.1	<p>A listed entity should have a written policy for complying with its continuous disclosure obligations under the Listing Rules and disclose that policy or a summary of it.</p>	Yes	<p>The Company has a Continuous Disclosure Policy which includes processes to ensure compliance with ASX Listing Rule 3.1 disclosure and to ensure accountability at a senior executive level for compliance and factual presentation of the Company's financial position.</p> <p>The Continuous Disclosure Policy is disclosed on the Company's website.</p>
6.	RESPECTS THE RIGHTS OF SHAREHOLDERS		

6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes	The Company has established a website on which it maintains information in relation to corporate governance, directors and senior executives, Board and committee charters, annual reports, ASX announcements and contact details.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	The Company has adopted a Shareholder Communications Policy, which establishes principles to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs. The Shareholder Communications Policy is disclosed on the Company's website.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	The Company encourages shareholders to participate in general meetings of the Company as a means by which feedback can be given to the Company and allocates scheduled question time at meetings of Shareholders to facilitate participation at those meetings.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	The Company engages its share registry to manage the majority of communications with shareholders. Shareholders are encouraged to receive correspondence from the Company electronically, thereby facilitating a more effective, efficient and environmentally friendly communication mechanism with shareholders. Shareholders not already receiving information electronically can elect to do so through the share registry, Automic Registry Services at www.automic.com.au .
7.	RECOGNISE AND MANAGE RISK		
7.1	The Board should establish a risk management committee made up of at least 3 members, a majority of whom are independent directors, and chaired by an independent director. If it does not have a risk committee, the Board should disclose that fact and the processes it employs for overseeing the entity's risk management framework.	Yes	The Board has not established a separate risk committee. Given the present size of the company, the Board has decided that the full Board can adequately discharge the functions of a risk committee for the time being. The Board will establish a Risk Committee when the size and complexity of the Company's operations and management warrant it. In the meantime, the Company's Audit and Risk Committee Charter includes principles to guide the Board's oversight of the Company's risk function.
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and	Yes	The identification and management of risk has been continually at the forefront of the Company's recent activities. In accordance with the Audit and Risk Committee Charter, the Board will review the Company's risk management framework on an annual basis. Such as review has not taken place since the Company

	(b) disclose, in relation to each reporting period, whether such a review has taken place.		adopted its risk framework and listed on the ASX. The Company intends to conduct this review prior to its next annual reporting date.
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	Yes	<p>Given the present size of the company, the Board has decided that a formal internal audit function is not required for the time being.</p> <p>The risk management functions employed by the Board are summarised above.</p>
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes	<p>The Company provides its material risks below, including exposure to economic, environmental and social sustainability risks. The Company will continue to disclose these material risks in the future in its annual report or elsewhere as appropriate.</p> <p><i>Liquidity risk</i></p> <p>Certain securities are likely to be classified as restricted securities. To the extent that Shares are classified as restricted securities, the liquidity of the market for Shares may be adversely affected.</p> <p><i>Exploration and evaluation risks</i></p> <p>Mineral exploration, development and mining activities are high-risk undertakings. There can be no assurance that exploration on these Tenements, or any other claims or leases that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.</p> <p><i>Title risks</i></p> <p>Mineral rights in the USA may be owned by private parties, local government, state government, federal government, or indigenous groups. Verifying the chain of title for USA mineral rights can be complex and may require that remedial steps be taken to correct any defect in title. Securing exploration and extraction rights to federally-owned mineral rights requires strict adherence to claim staking and maintenance requirements. The Company has taken reasonable steps to verify the title to the Tenements in which it has, or has a right to acquire, an interest. Although these steps are in line with market practice for exploration projects, they do not guarantee title to the Tenements nor guarantee that the Tenements are free of any third party rights or claims.</p>

		<p><i>Future capital requirements</i></p> <p>The Company's activities are likely to require substantial expenditure, in addition to the amounts raised under the Offer. Any additional equity financing may be dilutive to Shareholders and any debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy.</p> <p>Although the Directors believe that additional capital can be obtained, there can be no assurance that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.</p> <p><i>Reliance on key personnel</i></p> <p>The Company's future depends, in part, on its ability to attract and retain key personnel. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.</p> <p><i>Fluctuations in commodity prices</i></p> <p>The Company's business, prospects, financial condition and results of operations are heavily dependent on prevailing metals prices, particularly copper. There can be no assurance that the existing level of metals prices will be maintained in the future. Any future declines, even relatively modest ones, in metals prices could adversely affect the Company's business, prospects, financial condition and results of operations.</p> <p><i>Exchange rate risks</i></p> <p>The Company operates in multiple currencies and exchanges rates are constantly fluctuating. International prices of various commodities, as well as the exploration expenditure of the Company are denominated in United States dollars, whereas the Company will rely principally on funds raised and accounted for in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.</p> <p>Other industry specific risks</p> <p>The Company's activities are subject to a number of risks common to the conduct of mining exploration and the financing of mining exploration activities, including but not limited to:</p> <ul style="list-style-type: none"> a) risks inherent in resource estimation; b) operation and technical risks;
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			<p>c) environmental risks;</p> <p>d) tenure risks;</p> <p>e) contract counterparty risks; and</p> <p>f) competition risks.</p>
8.	REMUNERATE FAIRLY AND RESPONSIBLY		
8.1	<p>The board should establish a remuneration committee which has at least three members, a majority of whom are independent and which is chaired by an independent director.</p> <p>If it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive</p>	Yes	<p>The Board has not established a separate remuneration committee. Given the present size of the company, the Board has decided that the full Board can adequately discharge the functions of a remuneration committee for the time being. The Board will establish a Remuneration Committee when the size and complexity of the Company's operations and management warrant it.</p> <p>In the meantime, the Board has adopted a Remuneration Committee Charter, which includes principles for setting and reviewing the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive, including if required, the ability to obtain independent advice on the appropriateness of remuneration packages. Until such time as the Remuneration Committee is established, the functions of this committee will continue to be carried out by the full Board.</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	Yes	<p>Each director has entered a separate employment or consultancy agreement with the Company.</p> <p>The remuneration of directors and senior executives is generally reviewed annually. As discussed under Recommendation 8.1 above, a Remuneration Committee Charter is in place, and the Board (in its capacity as the Remuneration Committee) in will consider its approach to remuneration in due course having regard to the Remuneration Committee Charter. Disclosure of the remuneration arrangements for Directors and senior executives will be disclosed in the annual reports of the Company in the future.</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Yes	<p>The Company maintains a Securities Trading Policy which restricts the permission for employees and directors to enter transactions which limit the economic risks associated with the participation in any of the Company's equity based incentive schemes. A copy of the Securities Trading Policy is available on the Company's website.</p> <p>The use of derivatives or other hedging arrangements for unvested securities of the Company or vested securities of the Company which are subject to escrow arrangements is prohibited. Where a director or other senior executive uses derivatives or other hedging arrangements over vested securities of the Company, this will be disclosed.</p>

Additional Securities Information

Class of Shares and Voting Rights

The voting rights attached to the Fully Paid Ordinary Shares of the Company are:

- a) at a meeting of members or classes of members each member entitled to vote may vote in person or by proxy or by attorney; and
- b) on a show of hands every person present who is a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each ordinary share held.

Options do not carry any voting rights.

Distribution of Shareholders (as at 25 September 2020)

Spread of Holdings	Number of Holders
1-1,000	96
1,001-5,000	191
5,001 - 10,000	181
10,001 -100,000	450
Over 100,001	170
Total	1,088

There are 226 holders of unmarketable parcels comprising a total of 379,482 ordinary shares.

There are currently no shares subject to voluntary escrow.

There is no current on-market buy back taking place.

Company Secretary

Mathew O'Hara

Registered Office

Suite 23, 513 Hay Street
Subiaco WA 6008
Telephone: (08) 6143 6711

Share Registry

Automatic Registry Services
Level 3 50 Holt Street
Surry Hills NSW 2010
Ph: (02) 9698 5414

Substantial Shareholders

Name	Number of Shares	%
Kitara Investments Pty Ltd	46,283,081	17.68%
Mr Petar Jurkovic & Ms Allison Parker <P Jurkovic Family A/C>	18,333,333	7.00%

Twenty Largest Shareholders (as at 25 September 2020)

	Name	Number of Shares	%
1	Kitara Investments Pty Ltd	46,283,081	17.68%
2	HSBC Custody Nominees (Australia) Limited	36,781,669	14.05%
3	Mr Petar Jurkovic & Ms Allison Parker <P Jurkovic Family A/C>	18,333,333	7.00%
4	TR Nominees Pty Ltd	11,489,584	4.39%
5	Quaalup Investments Pty Ltd	8,338,337	3.18%
6	BNP Paribas Nominees Pty Ltd <IB AU Noms Retail client DRP>	5,306,458	2.03%
7	Kingslane Pty Ltd <Cranston Super Pension A/C>	4,775,000	1.82%
8	RL Holdings Pty Ltd <Airlie A/C>	4,343,641	1.66%
9	JP Morgan Nominees Australia Pty Limited	4,343,635	1.66%
10	Mr Marat Abzalov & Mrs Svetlana Abzalov <Massa Super Fund A/C>	4,233,333	1.62%
11	Kingslane Pty Ltd <Cranston Super Fund A/C>	4,000,000	1.53%
12	Buprestid Pty Ltd <Hanlon Family S/F A/C>	3,925,000	1.50%
13	Mr Carlo Chiodo	3,667,504	1.40%
14	Hawthorn Grove Investments Pty Ltd	3,637,500	1.39%
15	Gondwana Investment Group Pty Ltd <Kumova Family Super Fund A/C>	3,078,334	1.18%
16	Mr Peter Michael Gerhard Geerdts	3,000,000	1.15%
17	Torr Family Pty Ltd <Torr A/C>	2,777,667	1.06%
18	Cobra Investments Pty Ltd	2,670,796	1.02%
19	Mr Peter Williams	2,343,750	0.90%
20	Mr Christopher Robert Wanless	2,196,247	0.84%
	TOTAL	175,524,869	67.04%

Unquoted Securities (as at 25 September 2020)

Class	Number
Performance Rights:	
Performance rights vest on price of \$1.00 for 120 days expiring 11-Sept-20	200,000
Performance rights vest on price of \$1.50 for 120 days expiring 11-Sept-21	200,000
Performance rights vest on price of \$2.00 for 120 days expiring 11-Sept-22	200,000
Unquoted Options:	
Unquoted options exercisable at \$0.20 each on or before 22-Feb-21	755,000
Unquoted options exercisable at \$0.30 each on or before 22-Feb-21	2,300,000
Unquoted options exercisable at \$0.40 each on or before 22-Feb-21	1,570,000
Unquoted options exercisable at \$0.60 each on or before 22-Feb-21	1,570,000
Unquoted options exercisable at \$0.80 each on or before 22-Feb-21	1,570,000
Unquoted options exercisable at \$0.30 each on or before 27-Jun-21	45,000
Unquoted options exercisable at \$0.40 each on or before 27-Jun-21	75,000
Unquoted options exercisable at \$0.60 each on or before 27-Jun-21	75,000

Alderan Resources Limited

Unquoted options exercisable at \$0.80 each on or before 27-Jun-21	75,000
Unquoted options exercisable at \$0.60 each on or before 22-Feb-21	200,000
Unquoted options exercisable at \$0.80 each on or before 22-Feb-21	200,000
Unquoted options exercisable at \$1.00 each on or before 22-Feb-21	200,000
Unquoted options exercisable at \$1.20 each on or before 22-Feb-21	200,000
Unquoted options exercisable at \$2.50 each on or before 15-Nov-21	75,000
Unquoted options exercisable at \$3.50 each on or before 15-Nov-21	75,000
Unquoted options exercisable at \$1.00 each on or before 12-Jun-22	125,000
Unquoted options exercisable at \$1.50 each on or before 12-Jun-22	100,000
Unquoted options exercisable at \$2.00 each on or before 12-Jun-22	100,000
Unquoted options exercisable at \$2.50 each on or before 12-Jun-22	100,000
Unquoted options exercisable at \$0.06 each on or before 19-Jul-22	4,500,000
Unquoted options exercisable at \$0.10 each on or before 19-Jul-22	7,750,000
Unquoted options exercisable at \$0.10 each on or before 7-Aug-22	27,890,625
Unquoted options exercisable at \$0.20 each on or before 7-Aug-21	5,000,000
Unquoted options exercisable at \$0.08 each on or before 30-Jun-23	10,000,000
Unquoted options exercisable at \$0.12 each on or before 30-Dec-21	5,000,000
Unquoted options exercisable at \$0.195 each on or before 3-Aug-23	3,500,000
Unquoted options exercisable at \$0.225 each on or before 3-Aug-23	3,500,000

Unquoted Securities >20% Holders (as at 25 September 2020)

F.D Hegner holds 100% of the unquoted performance rights on issue as at 25 September 2020. There were no substantial holders of unquote options as at 25 September 2020.

Schedule of Mining Tenements

Unpatented Mining Claims

Volantis Resources Corp

Claim Name	Serial No.	Beaver Co Document No.
AW 1	437250	264029
AW 2	437251	264030
AW 3	437252	264031
AW 4	437253	264032
AW 5	437254	264033
AW 6	437255	264034
AW 7	437256	264035
AW 8	437257	264036
AW 9	437258	264037
AW 10	437259	264038
AW 11	437260	264039
AW 12	437261	264040
AW 13	437262	264041
AW 14	437263	264042
AW 15	437264	264043
AW 16	437265	264044
AW 17	437266	264045
AW 18	437267	264046
AW 19	437268	264047
AW 20	437269	264048
AW 21	437270	264049
AW 22	437271	264050
AW 23	437272	264051
AW 24	437273	264052
AW 25	437274	264053
AW 26	437275	264054
AW 27	437276	264055
AW 28	437277	264056
AW 29	437278	264057
AW 30	437279	264058
AW 31	437280	264059
CT 1	426677	258648
CT 2	426678	258649
CT 3	426679	258650
CT 4	426680	258651

Alderan Resources Limited

CT 5	426681	258652
CT 6	426682	258653
CT 7	426683	258654
CT 8	426684	258655
CT 9	426685	258656
CT 10	426686	258657
CT 11	426687	258658
CT 12	426688	258659
CT 13	426689	258660
CT 14	426690	258661
CT 15	426691	258662
CT 16	426692	258663
CT 17	426693	258664
CT 18	426694	258665
CT 19	426695	258666
CT 20	426696	258667
CT 21	426697	258668
CT 22	426698	258669
CT 23	426699	258670
CT 24	426700	258671
CT 25	426701	258672
CT 26	426702	258673
CT 27	426703	258674
CT 28	426704	258675
CT 29	426705	258676
CT 30	426706	258677
CT 33	426709	258680
CT 34	426710	258681
CT 35	426711	258682
CT 36	426712	258683
CT 37	426713	258684
CT 38	426714	258685
CT 39	426715	258686
CT 40	426716	258687
CT 41	426717	258688
CT 42	426718	258689
CT 43	426719	258690
CT 44	426720	258691
CT 45	426721	258692
CT 46	426722	258693
SF 82	426723	258694

Alderan Resources Limited

CT 47	426967	258845
CT 48	426968	258846
CT 49	426969	258847
CT 50	426970	258848
CT 51	426971	258849
CT 52	426972	258850
CT 53	426973	258851
CT 54	426974	258852
CT 55	426975	258853
CT 56	426976	258854
CT 57	426977	258855
CT 58	426978	258856
CT 59	426979	258857
CT 60	426980	258858
CT 61	426981	258859
CT 62	426982	258860
CT 63	426983	258861
CT 64	426984	258862
CT 65	426985	258863
CT 66	426986	258864
CT 67	426987	258865
CT 68	426988	258866
CT 69	426989	258867
CT 70	426990	258868
CT 71	426991	258869
CT 72	426992	258870
CT 73	426993	258871
CT 74	426994	258872
CT 75	426995	258873
CT 76	426996	258874
CT 77	426997	258875
CT 101	434804	261072
CT 102	434805	261073
CT 103	434806	261074
CT 104	434807	261075
CT 105	434808	261076
CT 106	434809	261077
CT 107	434810	261078
CT 108	434811	261079
CT 109	434812	261080
CT 110	434813	261081

Alderan Resources Limited

CT 111	434814	261082
CT 112	434815	261083
CT 113	434816	261084
CT 114	434817	261085
CT 115	434818	261086
CT 116	434819	261087
CT 117	434820	261088
CT 118	434821	261089
CT 119	434822	261090
CT 120	434823	261091
CT 121	434824	261092
CT 122	434825	261093
CT 123	434826	261094
CT 124	434827	261095
CT 125	434828	261096
CT 126	434829	261097
CT 127	434830	261098
CT 128	434831	261099
CT 129	434832	261100
CT 130	434833	261101
CT 131	434834	261102
CT 132	434835	261103
NW 101	434836	261104
NW 102	434837	261105
NW 103	434838	261106
NW 104	434839	261107
NW 105	434840	261108
NW 106	434841	261109
NW 107	434842	261110
NW 108	434843	261111
NW 109	434844	261112
NW 110	434845	261113
NW 111	434846	261114
NW 112	434847	261115
NW 113	434848	261116
NW 114	434849	261117
NW 115	434850	261118
NW 116	434851	261119
NW 117	434852	261120
NW 118	434853	261121
NW 119	434854	261122

Alderan Resources Limited

NW 120	434855	261123
NW 121	434856	261124
NW 122	434857	261125
NW 123	434858	261126
NW 124	434859	261127
NW 125	434860	261128
NW 126	434861	261129
NW 127	434862	261130
NW 128	434863	261131
NW 129	434864	261132
NW 130	434865	261133
NW 131	434866	261134
NW 132	434867	261135
NW 133	434868	261136
NW 134	434869	261137
NW 135	434870	261138
NW 136	434871	261139
NW 137	434872	261140
NW 138	434873	261141
NW 139	434874	261142
NW 141	434875	261143
NW 142	434876	261144
LIR 31	434877	261145
NW 1	428552	259870
NW 2	428553	259871
NW 3	428554	259872
NW 4	428555	259873
NW 5	428556	259874
NW 6	428557	259875
NW 7	428558	259876
NW 8	428559	259877
NW 9	428560	259878
NW 10	428561	259879
NW 11	428562	259880
NW 12	428563	259881
NW 13	428564	259882
NW 14	428565	259883
NW 15	428566	259884
NW 16	428567	259885
CT 78	428568	259886
SF 82	428569	259887

Alderan Resources Limited

SF 83	428570	259888
SF 84	428571	259889
SF 85	428572	259890
NW 17	435319	261331
NW 18	435320	261332
SF 1	426435	258176
SF 2	426436	258177
SF 3	426437	258178
SF 4	426438	258179
SF 5	426439	258180
SF 6	426440	258181
SF 7	426441	258182
SF 8	426442	258183
SF 9	426443	258184
SF 10	426444	258185
SF 11	426445	258186
SF 12	426446	258187
SF 13	426447	258188
SF 14	426448	258189
SF 15	426449	258190
SF 16	426450	258191
SF 17	426451	258192
SF 18	426452	258193
SF 19	426453	258194
SF 20	426454	258195
SF 21	426455	258196
SF 22	426456	258197
SF 23	426457	258198
SF 24	426458	258199
SF 25	426459	258200
SF 26	426460	258201
SF 27	426461	258202
SF 28	426463	258269
SF 29	426464	258270
SF 30	426465	258271
SF 31	426466	258272
SF 32	426467	258273
SF 33	426468	258274
SF 34	426469	258275
SF 35	426470	258276
SF 36	426471	258277

Alderan Resources Limited

SF 37	426472	258278
SF 38	426473	258279
SF 39	426474	258280
SF 40	426475	258281
SF 41	426476	258282
SF 42	426477	258283
SF 43	426478	258284
SF 44	426479	258285
SF 45	426480	258286
SF 46	426481	258287
SF 47	426482	258288
SF 48	426483	258289
SF 49	426484	258290
SF 50	426485	258291
SF 51	426486	258292
SF 52	426487	258293
SF 53	426488	258294
SF 54	426489	258295
SF 55	426490	258296
SF 56	426491	258297
SF 57	426492	258298
SF 58	426493	258299
SF 59	426494	258300
SF 60	426495	258301
SF 61	426496	258302
SF 62	426497	258303
SF 63	426498	258304
SF 64	426499	258305
SF 65	426500	258306
SF 66	426501	258307
SF 67	426502	258308
SF 69	426503	258309
SF 70	426504	258310
SF 71	426505	258311
SF 72	426506	258312
SF 73	426507	258313
SF 74	426508	258314
SF 75	426509	258315
SF 76	426510	258316
SF 77	426511	258317
SF 78	426512	258318

Alderan Resources Limited

SF 79	426513	258319
SF 80	426514	258320
SF 81	426515	258321
WC 1	437525	264251
WC 2	437526	264252
WC 3	437527	264253
WC 4	437528	264254
WC 5	437529	264255
WC 6	437530	264256
WC 7	437531	264257
WC 8	437532	264258
WC 9	437533	264259
WC 10	437534	264260
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WC 12	437536	264262
WC 13	437537	264263
WC 14	437538	264264
WC 15	437539	264265
WC 16	437540	264266
WC 17	437541	264267
WC 18	437542	264268
WC 19	437543	264269
WC 20	437544	264270
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WC 22	437546	264272
WC 23	437547	264273
WC 24	437548	264274
WC 25	437549	264275
WC 26	437550	264276
WC 27	437551	264277
WC 28	437552	264278
WC 29	437553	264279
WC 30	437554	264280
WC 31	437555	264281
WC 32	437556	264282
WC 33	437557	264283
WC 34	437558	264284
WC 35	437559	264285
WC 36	437560	264286
WC 37	437561	264287
WC 38	437562	264288

Alderan Resources Limited

WC 39	437563	264289
WC 40	437564	264290
WC 41	437565	264291
WC 42	437566	264292
WC 43	437567	264293
WC 44	437568	264294
WC 45	437569	264295
WC 46	437570	264296
WC 47	437571	264297
WC 48	437572	264298
WC 49	437573	264299
WC 50	437574	264300
WC 51	437575	264301
WC 52	437576	264302
WC 53	437577	264303
WC 54	437578	264304
WC 55	437579	264305
WC 56	437580	264306
WC 57	437581	264307
WC 58	437582	264308

Unpatented Mining Claims

Valyrian Resources Corp

Star Range Group

Claim Name	Serial No.	Beaver Co. Document No.
SR 109	436723	263169
SR 110	436724	263170
SR 111	436725	263171
SR 112	436726	263172
SR 113	436727	263173
SR 114	436728	263174
SR 115	436729	263175
SR 116	436730	263176
SR 117	436731	263177
SR 118	436732	263178
SR 119	436733	263179
SR 120	436734	263180
SR 121	436735	263181
SR 122	436736	263182
SR 123	436737	263183
SR 124	436738	263184
SR 125	436739	263185
SR 126	436740	263186
SR 127	436741	263187
SR 128	436742	263188
SR 156	436770	263216
SR 158	436772	263218
SR 160	436774	263220
SR 162	436776	263222
SR 181	436795	263241
SR 182	436796	263242
SR 183	436797	263243
SR 184	436798	263244
SR 185	436799	263245
SR 186	436800	263246
SR 187	436801	263247
SR 188	436802	263248
SR 189	436803	263249
SR 190	436804	263250
SR 191	436805	263251
SR 192	436806	263252

Alderan Resources Limited

SR 193	436807	263253
SR 194	436808	263254
SR 195	436809	263255
SR 196	436810	263256
SR 197	436811	263257
SR 198	436812	263258
SR 199	436813	263259
SR 200	436814	263260
SR 221	436835	263281
SR 223	436837	263283
SR 224	436838	263284
SR 225	436839	263285
SR 231	436845	263291
SR 232	436846	263292
SR 233	436847	263293
SR 234	436848	263294
SR 235	436849	263295
SR 236	436850	263296
SR 237	436851	263297
SR 238	436852	263298
SR 239	436853	263299
SR 240	436854	263300
SR 245	436859	263305
SR 246	436860	263306
SR 247	436861	263307
SR 248	436862	263308
SR 249	436863	263309
SR 250	436864	263310
SR 251	436865	263311
SR 252	436866	263312
SR 253	436867	263313
SR 254	436868	263314
SR 257	436871	263317
SR 259	436873	263319
SR 261	436875	263321
SR 262	436876	263322
SR 263	436877	263323
SR 264	436878	263324
SR 265	436879	263325

Elephant Canyon Group

Claim Name	Serial No.	Beaver Co. Document No.
ECR20	438373	264591
ECR39	438392	264610
ECR41	438394	264612
ECR53	438406	264624
ECR54	438407	264625
ECR55	438408	264626
ECR58	438411	264629
ECR60	438413	264631
ECR65	438418	264636
ECR66	438419	264637
ECR67	438420	264638
ECR68	438421	264639
ECR97	438450	264668
ECR225	438578	264796
ECR227	438580	264798
ECR229	438582	264800
ECR231	438584	264802
ECR233	438586	264804
ECR235	438588	264806
ECR237	438590	264808
ECR251	438604	264822
ECR253	438606	264824
ECR265	438618	264836
ECR266	438619	264837
ECR267	438620	264838
ECR268	438621	264839
ECR269	438622	264840
ECR270	438623	264841
ECR271	438624	264842
ECR272	438625	264843
ECR273	438626	264844
ECR274	438627	264845
ECR275	438628	264846
ECR276	438629	264847
ECR277	438630	264848
ECR278	438631	264849
ECR282	438635	264853
ECR283	438636	264854

Cave Mine Group

Claim Name	Serial No.	Beaver Co. Document No.
CM25	435719	262148
CM26	435720	262149
CM27	435721	262150
CM28	435722	262151
CM29	435723	262152
CM30	435724	262153
CM31	435725	262154
CM32	435726	262155
CM33	435727	262156
CM34	435728	262157
CM39	435733	262162
CM40	435734	262163
CM41	435735	262164
CM42	435736	262165
CM43	435737	262166
CM44	435738	262167
CM45	435739	262168
CM50	435744	262173
CM51	435745	262174
CM52	435746	262175
CM53	435747	262176
CM54	435748	262177
CM68	435762	262191
CM69	435763	262192
CM70	435764	262193
CM71	435765	262194
CM72	435766	262195
CM73	435767	262196
CM74	435768	262197
CM75	435769	262198
CM89	435783	262212
CM90	435784	262213
CM91	435785	262214
CM92	435786	262215
CM93	435787	262216
CM94	435788	262217
CM95	435789	262218

Alderan Resources Limited

CM101	435795	262224
CM102	435796	262225
CM109	435803	262232
CM110	435804	262233
CM111	435805	262234
CM112	435806	262235
CM118	435812	262241
CM119	435813	262242
CM126	435820	262249
CM127	435821	262250
CM128	435822	262251
CM129	435823	262252
CM130	435824	262253
CM131	435825	262254
CM132	435826	262255

White Mountain Group

Claim Name	Serial No.	Beaver Co. Document No.
WM 1	UMC 442729	267521
WM 2	UMC 442730	267522
WM 3	UMC 442731	267523
WM 4	UMC 442732	267524
WM 5	UMC 442733	267525
WM 6	UMC 442734	267526
WM 7	UMC 442735	267527
WM 8	UMC 442736	267528
WM 9	UMC 442737	267529
WM 10	UMC 442738	267530
WM 11	UMC 442739	267531
WM 12	UMC 442740	267532
WM 13	UMC 442741	267533
WM 14	UMC 442742	267534
WM 15	UMC 442743	267535
WM 16	UMC 442744	267536
WM 17	UMC 442745	267537
WM 18	UMC 442746	267538
WM 19	UMC 442747	267539
WM 20	UMC 442748	267540
WM 21	UMC 442749	267541
WM 22	UMC 442750	267542

Alderan Resources Limited

WM 23	UMC 443915	267930
WM 24	UMC 443916	267931
WM 25	UMC 443917	267932
WM 26	UMC 443918	267933
WM 27	UMC 443919	267934
WM 28	UMC 443920	267935
WM 29	UMC 443921	267936
WM 30	UMC 443922	267937
WM 31	UMC 443923	267938
WM 32	UMC 443924	267939
WM 33	UMC 443925	267940
WM 34	UMC 443926	267941
WM 35	UMC 443927	267942
WM 36	UMC 443928	267943
WM 37	UMC 443929	267944
WM 38	UMC 443930	267945
WM 39	UMC 443931	267946
WM 40	UMC 443932	267947
WM 41	UMC 443933	267948
WM 42	UMC 443934	267949
WM 43	UMC 443935	267950
WM 44	UMC 443936	267951
WM 45	UMC 443937	267952
WM 46	UMC 443938	267953
WM 47	UMC 443939	267954
WM 48	UMC 443940	267955
WM 49	UMC 443941	267956
WM 50	UMC 443942	267957
WM 51	UMC 443943	267958
WM 52	UMC 443944	267959
WM 53	UMC 443945	267960
WM 54	UMC 443946	267961
WM 55	UMC 443947	267962
WM 56	UMC 443948	267963
WM 57	UMC 443949	267964
WM 58	UMC 443950	267965
WM 59	UMC 443951	267966
WM 60	UMC 443952	267967
WM 61	UMC 443953	267968
WM 62	UMC 443954	267969
WM 63	UMC 443955	267970

Alderan Resources Limited

WM 64	UMC 443956	267971
WM 65	UMC 443957	267972
WM 66	UMC 443958	267973
WM 67	UMC 443959	267974
WM 68	UMC 443960	267975
WM 69	UMC 443961	267976
WM 70	UMC 443962	267977
WM 71	UMC 443963	267978
WM 72	UMC 443964	267979
WM 73	UMC 443965	267980
WM 74	UMC 443966	267981
WM 75	UMC 443967	267982
WM 76	UMC 443968	267983
WM 77	UMC 443969	267984
WM 78	UMC 443970	267985
WM 79	UMC 443971	267986
WM 80	UMC 443972	267987
WM 81	UMC 443973	267988
WM 82	UMC 443974	267989
WM 83	UMC 443975	267990
WM 84	UMC 443976	267991
WM 85	UMC 443977	267992
WM 86	UMC 443978	267993
WM 87	UMC 443979	267994
WM 88	UMC 443980	267995
WM 89	UMC 443981	267996
WM 90	UMC 443982	267997
WM 91	UMC 443983	267998
WM 92	UMC 443984	267999
WM 93	UMC 443985	276800
WM 94	UMC 443986	276801
WM 95	UMC 443987	276802

Utah State Lease for Metalliferous Minerals (ML53495)

Lessee	Effective Date	Term	Rent	Premises	Acres
Valyrian Resources Corp.	1 November 2017	10	USD\$1 per acre	T28S, R11W, SLB&M Sec. 27: E2NE4 T28S, R12W, SLB&M Sec. 2: Lots 1(24.31), 2 (24.28), 3 (24.26), 4 (24.23), 5 (40.00), 6 (40.00), 7 (40.00), 8 (40.00), S2N2, S2 (ALL)	817.08