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ORA
GOLD LIMITED

ANNUAL REPORT 2020



CORPORATE DIRECTORY

DIRECTORS

Rick W Crabb
Non-Executive Chairman

Frank DeMarte
Executive Director

Malcolm R J Randall
Non-Executive Director

Philip G Crabb
Non-Executive Director

Philip F Bruce
Non-Executive Director

SECRETARY

Frank DeMarte

REGISTERED OFFICE AND BUSINESS ADDRESS

Level 2,
47 Stirling Highway
NEDLANDS WA 6009

Telephone: +618 9389 6927
Facsimile: +618 9389 5593

Email: info@ora.gold
Web: www.ora.gold

Australian Business Number:
74 950 465 654

4AUDITOR

Stantons International
Level 2, 1 Walker Avenue
WEST PERTH WA 6005

SHARE REGISTRY

Computershare Investor Services Pty Limited
Level 11
172 St Georges Terrace
PERTH WA 6000

Telephone: 1300 850 505 (within Australia)
Telephone: +61 3 9415 4000 (outside Australia)

STOCK EXCHANGE

Australian Securities Exchange Limited
Home Branch Perth

Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

ASX CODE OAU

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ASX ADDITIONAL INFORMATION

The Annual Report covers both Ora Gold Limited as an individual entity and the Consolidated Entity consisting of Ora Gold Limited and its controlled entities.

CHAIRMAN'S LETTER

Dear Shareholder

It gives me great pleasure to present the 2020 Annual Report for Ora Gold Limited (Company) covering activity from 1 October 2019 to 30 September 2020.

This year will be forever etched in everyone's memory due to COVID-19 and thus for the challenging times presented for all businesses including explorers. The year also saw an increased gold price due to the worldwide financial uncertainty.

Following the acquisition of the E51/1721 from Cervantes Corporation Ltd, the Company has largely completed its amalgamation of a significant portfolio of tenements on the Abbotts Greenstone Belt north-west of Meekatharra for the first time under a single ownership. This has presented the opportunity to apply modern exploration techniques across the entire geological setting. Once the regional travel restrictions in Western Australia were lifted, the Ora Gold team were able to undertake drilling operations on priority target areas.

Company strategy remains focussed on generating early cash flow from existing gold deposits on the Abbotts Greenstone Belt, while exploring for large deposits. Gold projects with near-term development potential are Crown Prince, Lydia, Abbotts, Transylvania and Abernethy.

To that end, on 21 October 2019, the Company announced an upgraded total resource of 479,000 tonnes at 3.6 g/t gold for 56,000 ounces of gold at the Crown Prince Gold Project and on 11 December, announced the results of a Scoping Study indicating a potentially economic open pit and a Production Target of 177,500t at 4.1g/t (97% Indicated Resource gold content).

The mining lease application for the Crown Prince Gold Project progressed on schedule through the Department of Mines, Industry Regulation and Safety. Negotiations with the Native Title applicants for the region progressed albeit slowing, partly due to extended COVID-19 restrictions applying for health reasons to Aboriginal peoples. The Company expects resolution on the Native Title issue to occur in the first quarter of 2021, thus allowing the mining lease to be granted.

Additional information on the exploration activities carried out on the Company's various gold projects are provided in the Review of Operations section of the Annual Report.

On 29 October 2020, the Company executed a new Red Bore Joint Venture with Sandfire Resources Limited. Under the Agreement and related documentation, Sandfire acquired a 75% interest in Red Bore from the Company and a further 10% interest from the Company's former joint venture partner. Ora Gold retains a 15% interest which is free carried until a decision to mine. We consider that the new joint venture represents an excellent opportunity to commercialise Ora Gold's Red Bore interest, by exploiting the synergies with Sandfire's neighboring DeGrussa operations.

I would like to take this opportunity to thank our hard-working management team, Board of Directors and our geological and administrative staff. Also, thank you to you our loyal Shareholders for your continued faith in what we are trying to achieve.

The 2021 financial period will see further focussed activity by your Company with the principal goals of bringing Crown Prince into production, delineate a resource at the Lydia Prospect and continuing exploration at the numerous other Abbotts Greenstone Belt areas.



Rick W Crabb
Chairman

REVIEW OF OPERATIONS

Highlights

- Acquisition of the E51/1721 from Cervantes Corporation Ltd. to now cover the whole prospective dolerite unit on the eastern flank of the Abbots Syncline
- Amalgamation of a large portfolio of tenements on the Abbots Greenstone Belt north-west of Meekatharra, Western Australia for the first time under a single company allowing regional compilation and interpretation of all historical data and the application of modern exploration techniques across the entire geological setting
- Abbots Greenstone Belt hosts a large gold and base metal mineralised system with numerous gold and base metal prospects from early stage to advanced projects, which are under-explored and with high grade intersections only partially followed up
- Company strategy is focussed on generating early cash flow from existing gold deposits on the Abbots Greenstone Belt while exploring for large deposits
- Gold projects with near-term development potential are Crown Prince, Lydia, Abbots, Transylvania and Abernethy priority areas
- Crown Prince Mineral Resource estimation (21 October 2019) supports study to develop high grade open pit:

| | |
|--------------------|---|
| Indicated Resource | 218,000 tonnes at 4.3g/t Au for 30,000 ounces |
| Inferred Resource | 261,000 tonnes at 3.1g/t Au for 26,000 ounces |
| Total Resource | 479,000 tonnes at 3.6g/t Au for 56,000 ounces |

- Potentially economic Crown Prince open pit supported by close-spaced drilling to 100m depth and completion of scoping study (9 December 2019) with a Production Target of 177,500t at 4.1g/t Au (97% Indicated Resource)
- Mining Lease application for Crown Prince Gold Project (MLA51/886) close to final approval
- Infill drilling on the central part of the Lydia Shear zone has defined potential high-grade zones with visible gold within the weathering profile of the mineralised structure
- Lydia Gold Project Mining Lease application (MLA51/889) was submitted and more shallow drilling is planned to outline additional oxide gold mineralisation
- Near surface mineralisation at Abbots Gold Project requires further delineation for open pit development, particularly at cross-cutting fault intersections
- Two large base metal and gold prospects discovered by geophysical surveys at Government Well 5km north of Abbots Gold Project will be further tested by additional drilling
- Transylvania and Abernethy Shear Zone prospects are in pipeline for delineation drilling
- A significant conductor was defined by ground geophysics over the Black Bull prospect

REVIEW OF OPERATIONS

About Ora Gold

Ora Gold Limited (Ora Gold or Company) is an ASX-listed company exploring and conducting pre-production activities on its wholly-owned Abbots and Garden Gully tenements of 309km² covering the majority of the Abbots Greenstone Belt near Meekatharra, Western Australia (Figure 1). The near-term focus is of low-cost development of shallow gold mineralisation already identified on the tenements, while exploring for larger gold and base metals deposits.

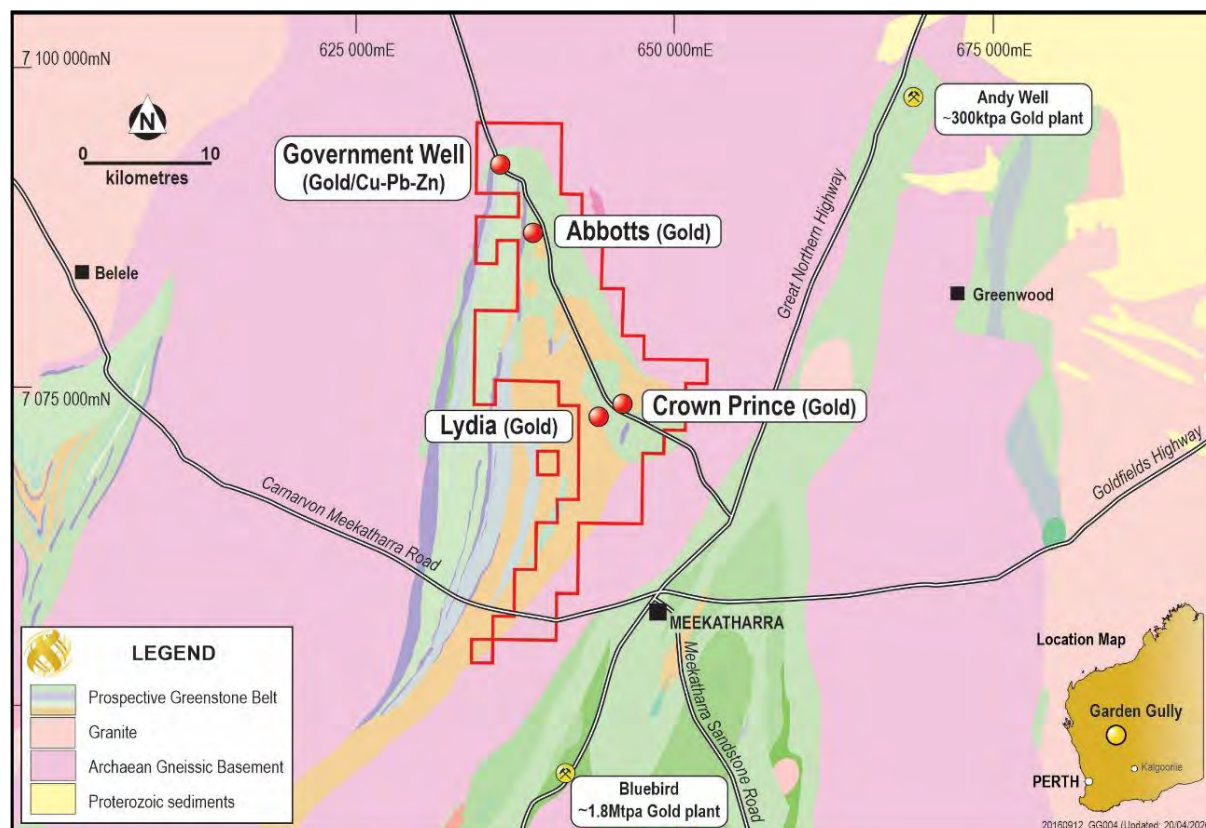


Figure 1. Ora Gold's tenements cover the majority of the prospective Abbots Greenstone Belt

Priority Targets on the Abbots Greenstone Belt

In addition to pre-development activities on the Crown Prince, Abbots and Lydia gold projects, Ora Gold plans follow up drilling on multiple, partially-drilled gold and base metal targets, in the Abbots Greenstone Belt as shown in Figure 2. The most prospective feature of the belt is the sheared dolerite ridge along the eastern flank of the Abbots Syncline, which hosts the bulk of the mineralisation, and the north-east trending Abernethy Shear Zone in the south, which is the conduit for mineralising fluids along the contact with the granitic basement.

Drill targets include:

- Lydia-Crown Prince-Eclipse Lineament (gold)
- Abbots Lineament (gold and base metals)
- Government Well (base metals and gold)
- Abernethy Shear Zone (gold)
- Transylvania Prospect (gold)
- Young Prospect (gold)
- Black Bull (base metals and gold)

REVIEW OF OPERATIONS

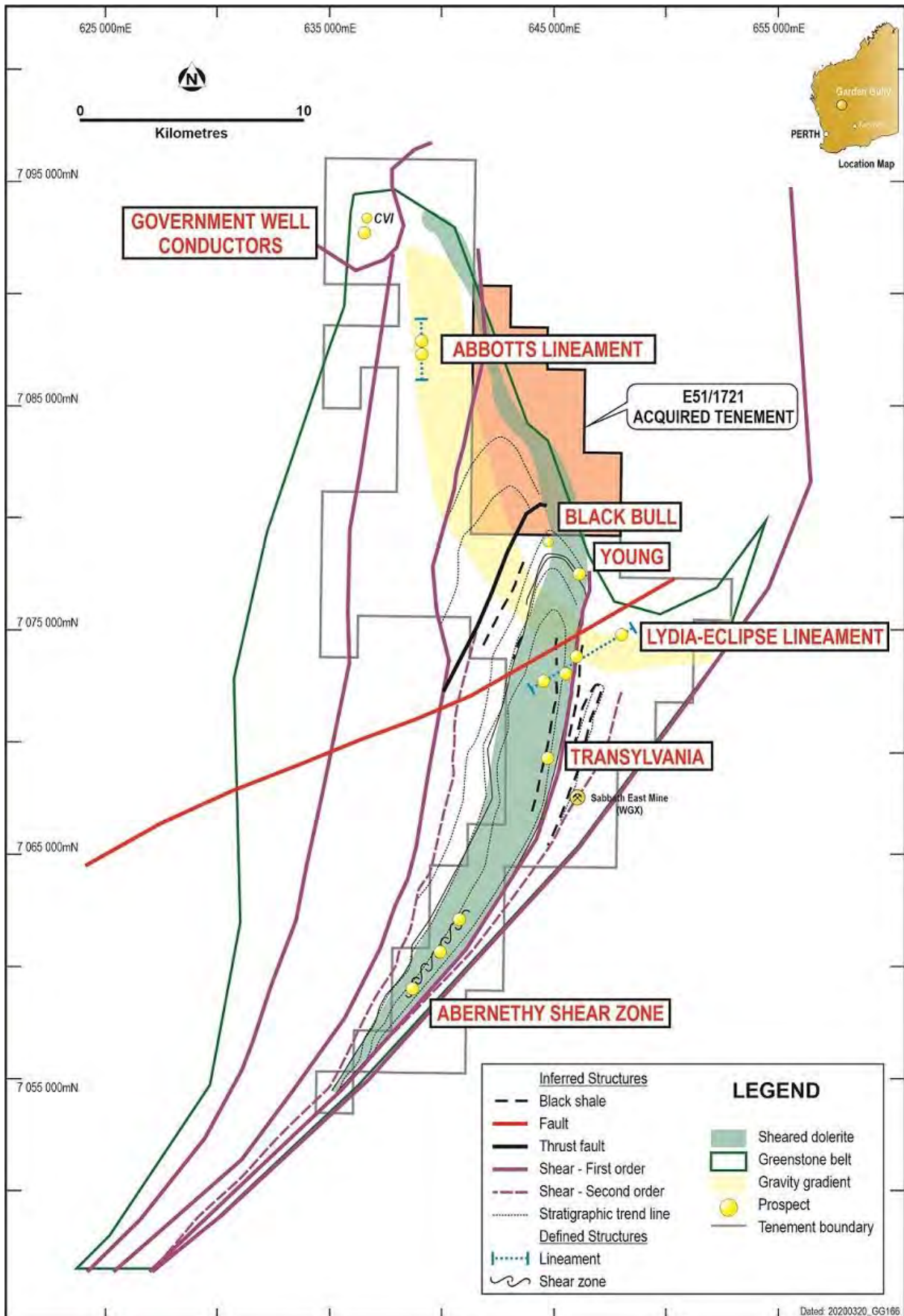


Figure 2. Garden Gully Project showing areas of priority targets

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REVIEW OF OPERATIONS

Garden Gully Project, WA (OAU 100%)

The Garden Gully tenements cover the majority of the Abbotts Greenstone Belt (Figure 1) and now comprise the Crown Prince and Lydia Mining Lease applications, 2 granted Mining Leases, 21 granted Prospecting Licences and 8 granted Exploration Licences covering about 309 square kilometres.

The acquisition of additional tenements over the Abbotts Greenstone Belt from Doray Minerals and Cervantes Corporation Ltd. (21 December 2018 and 20 March 2020, respectively) materially expanded the scope of Ora Gold's Garden Gully Project. It is the first time that the most of this greenstone belt has been held by a single company thus allowing regional compilation and interpretation of all historical data and the application of modern exploration techniques across the entire geological setting. Re-interpretation by Ora Gold of the systems and structures controlling the mineralisation on the greenstone belt has materially enhanced the potential for discovery of significant gold and base metal deposits.

Widespread historical mining and significant, open-ended, JORC 2012 gold resources on the Garden Gully tenements confirm the likely potential for economic deposits in the extensive gold-bearing systems of the Abbotts Greenstone Belt. Historical underground mining produced approximately 60,000 ounces from these deposits at a grade of 30g/t Au (GSWA Bulletins 96 and 137) and the unmined extensions are to be delineated for early development.

The advanced gold projects of Crown Prince, Lydia and Abbotts, which have early development potential, and the many partially-drilled gold prospects provide a strong project pipeline for the outlook for Ora Gold.

As economic gold resources are confirmed and approvals obtained, the intention is to process the ore at an external plant or to feed a dedicated plant.

In addition to the gold prospectivity of the Abbotts Greenstone Belt, the new base metal prospects CVG and CVI at Government Well and Black Bull are interpreted to be of similar age and geological setting to the other significant base metal deposits in the Yilgarn Craton.

Total drilling by Ora Gold during the year was as follows:

| Type of Drilling | Holes | Metres Drilled | Prospect | Comments/Holes No |
|---------------------|-----------|----------------|-----------------|-------------------|
| Reverse Circulation | 43 | 3,419 | Government Well | OGGRC218-260 |
| Reverse Circulation | 27 | 2,008 | Lydia | OGGRC261-287 |
| Reverse Circulation | 1 | 62 | Crown Prince | OGGRC288 |
| Reverse Circulation | 24 | 1,690 | Abbotts | OGGRC289-314 |
| Total | 95 | 7,179 | | |

REVIEW OF OPERATIONS

Lydia-Crown Prince-Eclipse Lineament

The north-east trending structural lineament shown in Figure 3 is highly prospective for economic deposits. The lineament hosts historical gold mines and prospects associated with north striking shear zones in the southern uplifted block of a late major cross-cutting fault zone.

Pre-development activities for a 75m deep open pit are underway for the Crown Prince Gold Project and its Mining Lease application (MLA51/886) is close to final approval. Primary mineralisation of the Crown Prince deposit is partially drilled and is open beyond 270m depth.

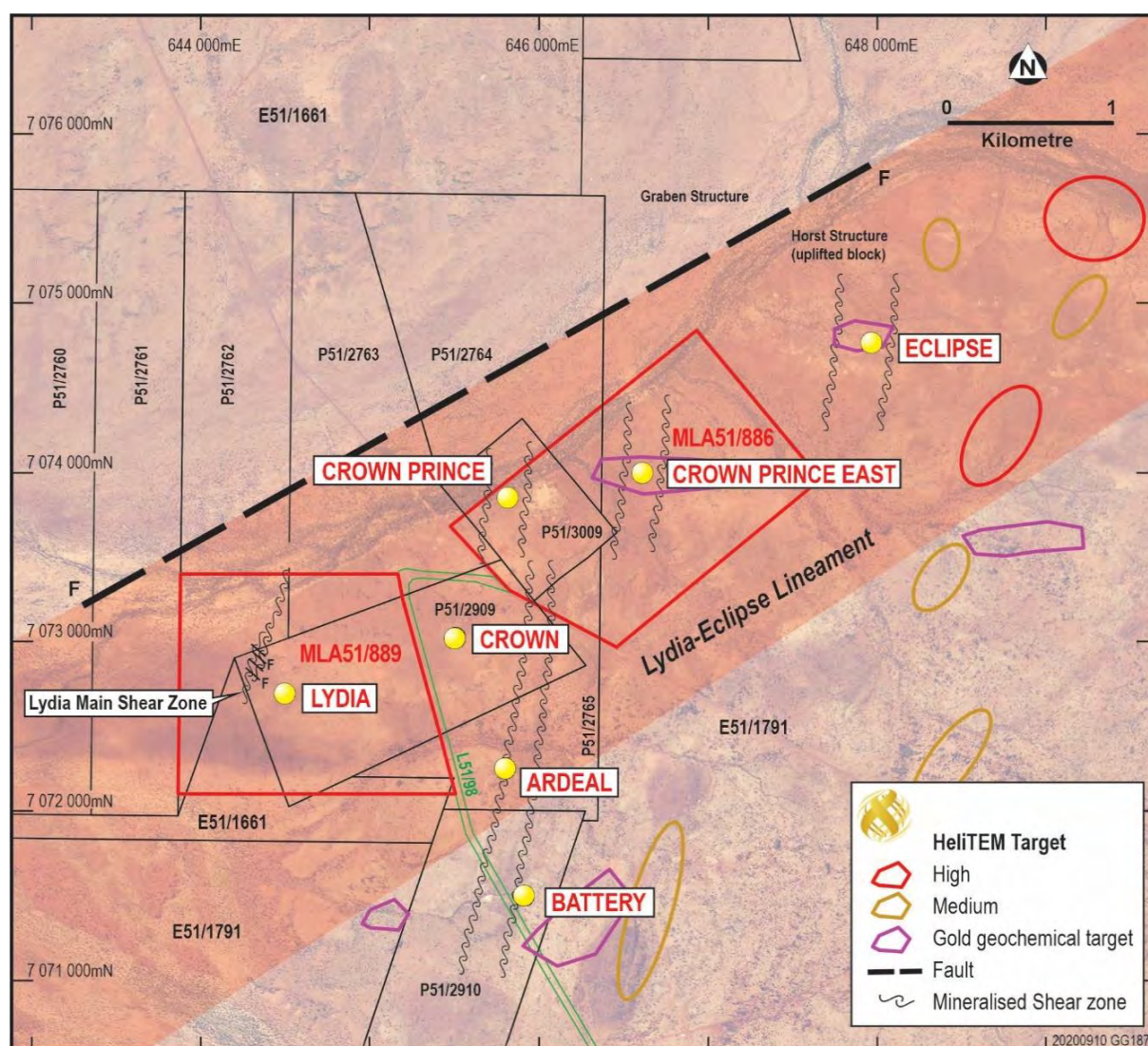


Figure 3. Lydia-Crown Prince-Eclipse Lineament main gold projects and prospects

A Mining Lease application (MLA51/889) was submitted for the Lydia Gold Project. The deposit has strong gold mineralisation hosted by south-westerly plunging shoots within a north-striking main structure. Further shallow drilling is planned to outline additional oxide and supergene mineralisation potential and diamond drilling for structural modelling will be done.

The Crown Prince East prospect was previously tested by two lines of air core drilling with several gold intersections at the contact between shale/mafic schists and deformed ultramafic. The structural setting appears to be identical to the Crown Prince Main Zone and drilling is planned to follow up the potential at depth and along strike of the mineralised contact.

REVIEW OF OPERATIONS

The Eclipse prospect has old workings along a mineralised structure and surfacing for nuggetty gold and previous drilling of two shallow air core lines returned some supergene gold mineralisation. A parallel structure to the south-west has not been tested by drilling. Ora Gold proposes to drill both structures after a detailed mapping and soil sampling program.

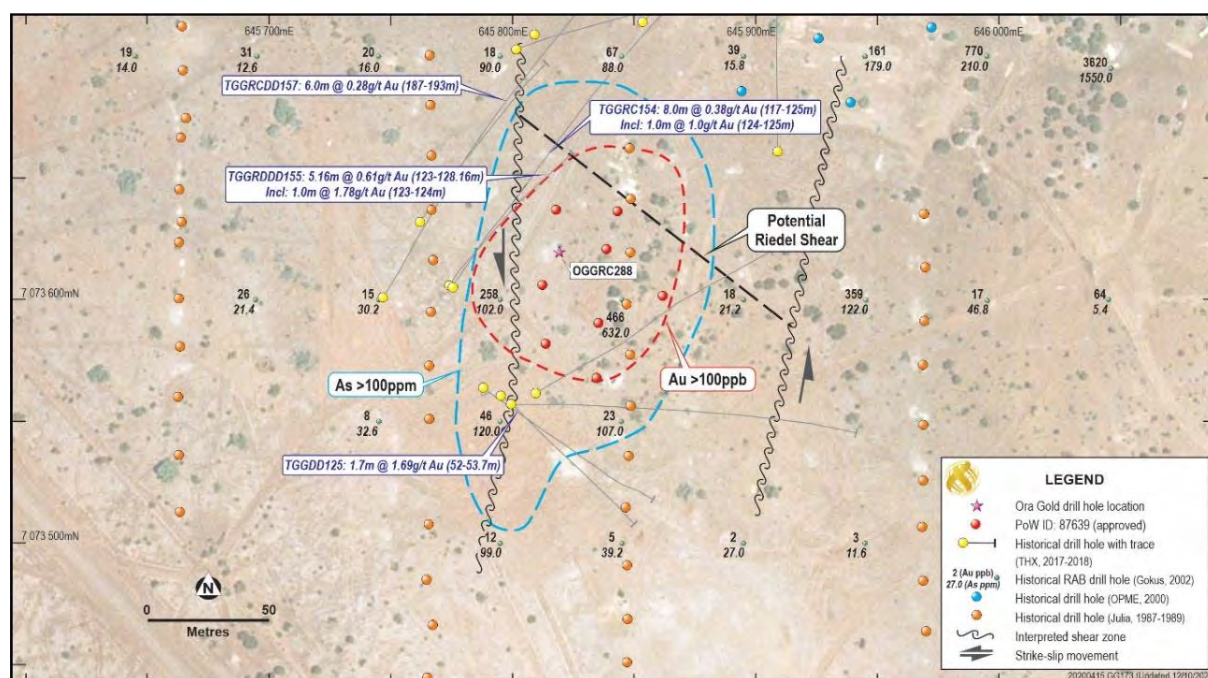


Figure 4. Crown Prince South prospect soil geochemistry, gold intersections and proposed holes.

One reverse circulation hole was drilled at the Crown Prince South prospect, (Figure 4) and anomalous gold was intersected (OGGRC288). Further drilling is planned.

Crown Prince Gold Project

The Crown Prince deposit is located about 22 kilometres north-west of Meekatharra in Western Australia via the Great Northern Highway and the Mt Clere Road on the Lydia-Crown Prince-Eclipse Lineament (Figure 5).

Between 1908 and 1915, the Crown Prince deposit was partially mined along two strongly mineralised quartz veins on four underground levels to a depth of 90m. Production was 29,400 tonnes for 20,178 ounces at a recovered grade of 21.7g/t Au using gravity and cyanidation processing, and no mining has occurred since.

Ora Gold compiled and validated earlier data on the Crown Prince Gold Project and included deeper drilling from its 2017/18 programs to prepare the Mineral Resource estimate to a depth of 270m, which was released on 21 October 2019 as follows:

| | |
|--------------------------|--|
| Indicated Resource | 218,000 tonnes at 4.3g/t Au for 30,000 ounces |
| <u>Inferred Resource</u> | <u>261,000 tonnes at 3.1g/t Au for 26,000 ounces</u> |
| Total Resource | 479,000 tonnes at 3.6g/t Au for 56,000 ounces |

Further drilling at an appropriate time will outline the high-grade mineralisation below 270m depth and in the newly identified parallel zones that remain open along strike and at depth.

REVIEW OF OPERATIONS

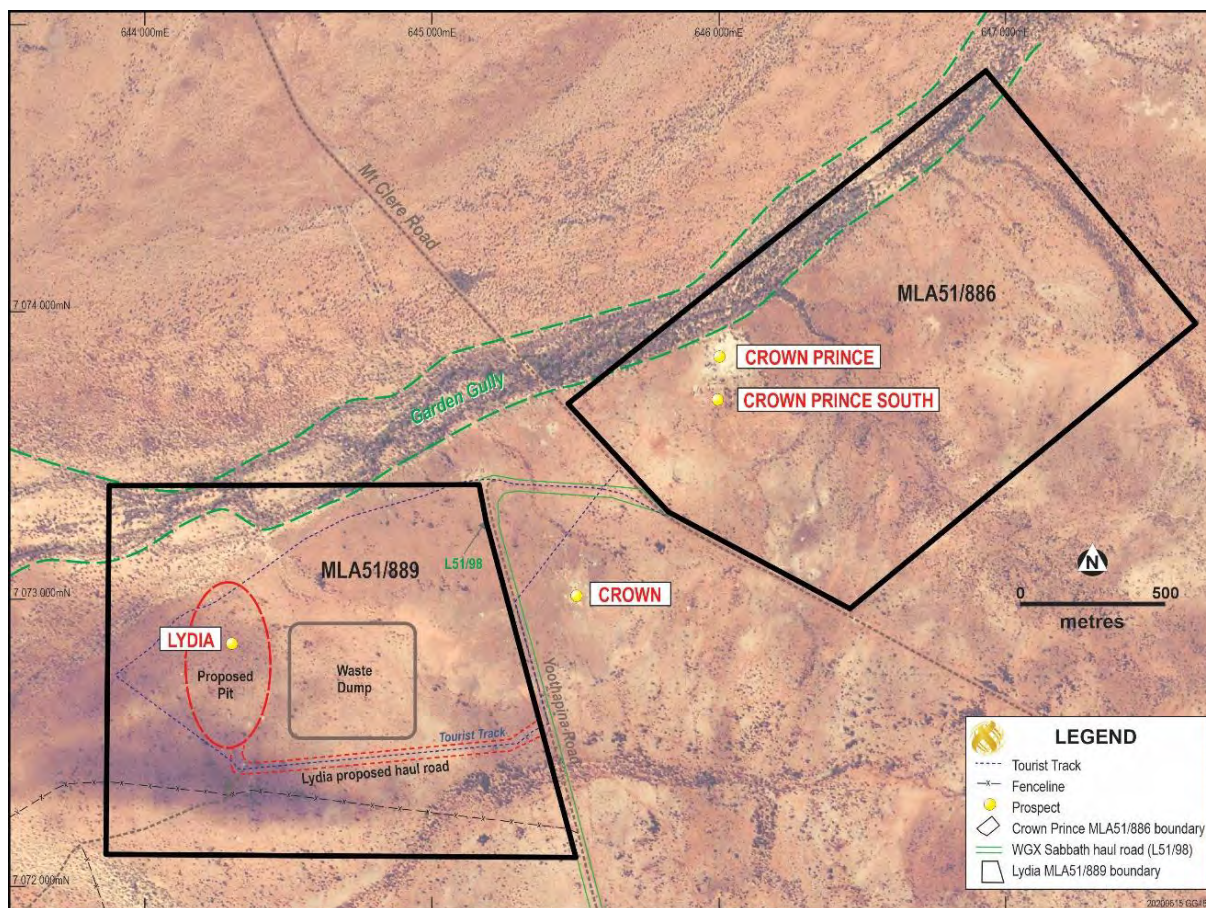


Figure 5. Mining Lease applications over Crown Prince (MLA51/886) and Lydia (MLA51/889)

The Crown Prince deposit is interpreted to have depth potential and similar mineralisation style to the high grade Great Fingall/Golden Crown deposits near Cue, Western Australia, which produced over 1.5Moz gold to a depth of 750m below surface.

The gold mineralisation is structurally-controlled of orogenic type and is free-milling. In fresh rock it occurs in association with pyrite, rare arsenopyrite and chalcopyrite at or near the contacts with black shales, quartz porphyry and mafic schists. The Main Ore Body strikes WNW/SSE and dips to the SSW at 70° and adjacent sub-parallel zones strike and dip at about similar angles.

The Mining Lease application (MLA51/886) is progressing to final approval.

A scoping study for a 75m deep open pit over the Crown prince deposit with offsite processing by another operator has provided a positive forecast financial outcome with physical and economic outcomes (11 December 2019) as follows:

| | |
|---|-----------------------|
| Production Target | 177,472 tonnes |
| Grade | 4.14g/t |
| Stripping Ratio (tonnes) | 10.1 |
| Gold Recovery (processing at an offsite plant) | 95% |
| Gold Produced (97% Indicated Resource) | 22,444 ounces |
| Pre-development (including mobilisation) | \$1.4M |
| Operating Cash Cost | \$891/ounce |
| All-In-Sustaining-Cost per ounce | \$1,006/ounce |
| Gold Price | \$2,000/ounce |
| Net distributable surplus before tax (+/-30%) | A\$21.1M |

REVIEW OF OPERATIONS

Lydia Gold Project

The Lydia Gold Project is approximately 2km southwest of Crown Prince and is a near-development project with open pit and underground potential. During July 2020, a reverse circulation program of 27 RC holes and totalling 2,008m was completed to target additional shallow mineralisation for open pit mining. All holes were drilled vertically and the deepest holes were stopped due to slow penetration rate and excess water, though strong mineralisation was still evident.

Excellent results included an outstanding intersection in oxide/supergene mineralisation from below thin transported cover (Figure 6) of 7m at 116.8g/t Au from 7m, including 1m at 794.2g/t Au from 9m in OGGRC266.

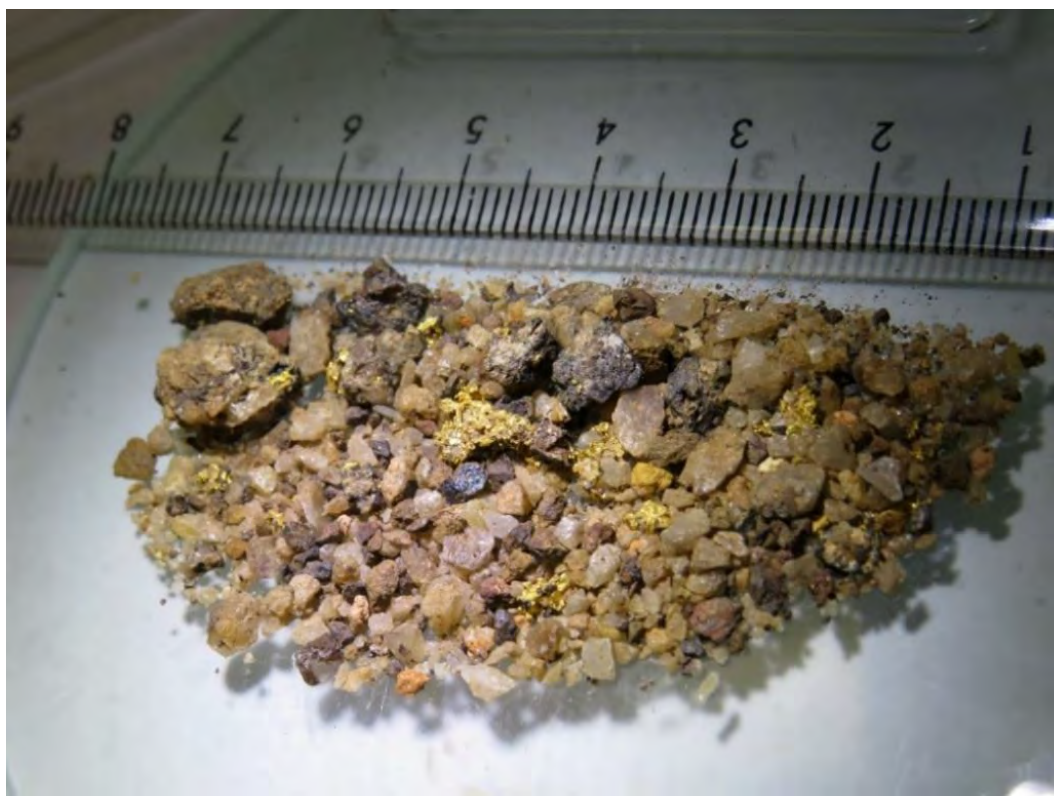


Figure 6. Visible gold within ferruginised quartz breccia (OGGRC266: 9-10m 794.2g/t Au)

The following significant intersections were also returned in the oxide/supergene zone:

- 20m at 1.00g/t Au from 43m (OGGRC262)
- 8m at 2.26g/t Au from 17m (OGGRC264)
- 17m at 1.33g/t Au from 6m (OGGRC271)
- 10m at 1.54g/t Au from 32m (OGGRC274)
- 6m at 2.94g/t Au from 31m (OGGRC282)

The following significant intersections were in the primary zone and all finished in mineralisation:

- 5m at 2.23g/t Au from 74m and open (OGGRC271)
- 12m at 1.27g/t Au from 85m and open (OGGRC273)
- 13m at 1.15g/t Au from 88m and open (OGGRC276)
- 13m at 1.49g/t Au from 81m and open (OGGRC277)
- 14m at 1.05g/t Au from 89m and open (OGGRC279)

REVIEW OF OPERATIONS

Current interpretation of the mineralisation is of high gold grades at lithological margins with mineralised fault breccias, a pervasive supergene blanket, persistent high- grade mineralisation in the relict structures within the oxide zone and open primary mineralisation at depth (Figure 7).

The 2020 drilling program outlined additional oxide/supergene gold mineralisation in an 80m wide dilation zone of about 120m strike length (Figure 8). The program has improved the outlook for mine development in the oxide/supergene zone and at depth and followed up previous drilling by Ora Gold in 2016-18, which confirmed strong gold mineralisation to over 200m depth (25 June 2020). With historical mining over a strike length of about 500m, there may be extensions or repetitions found with further drilling.

The primary mineralisation has been drilled to depths beyond 200m (14m at 2.20g/t Au from 216m and 15m at 1.60g/t Au from 243m in TGGRC033 - 20 June 2017). Though these intersections are modest grades, the depth potential for the Lydia deposit is similar to the Crown Prince and other prospective targets in the Abbots greenstone belt, which can be mineralised to depths of the order of 1,000m like other Archaean greenstone belt deposits.

Deep reverse circulation drilling is planned to follow up the north-western plunge of the primary mineralisation and several sections of core drilling will be required to better define the structural setting of the mineralised system.

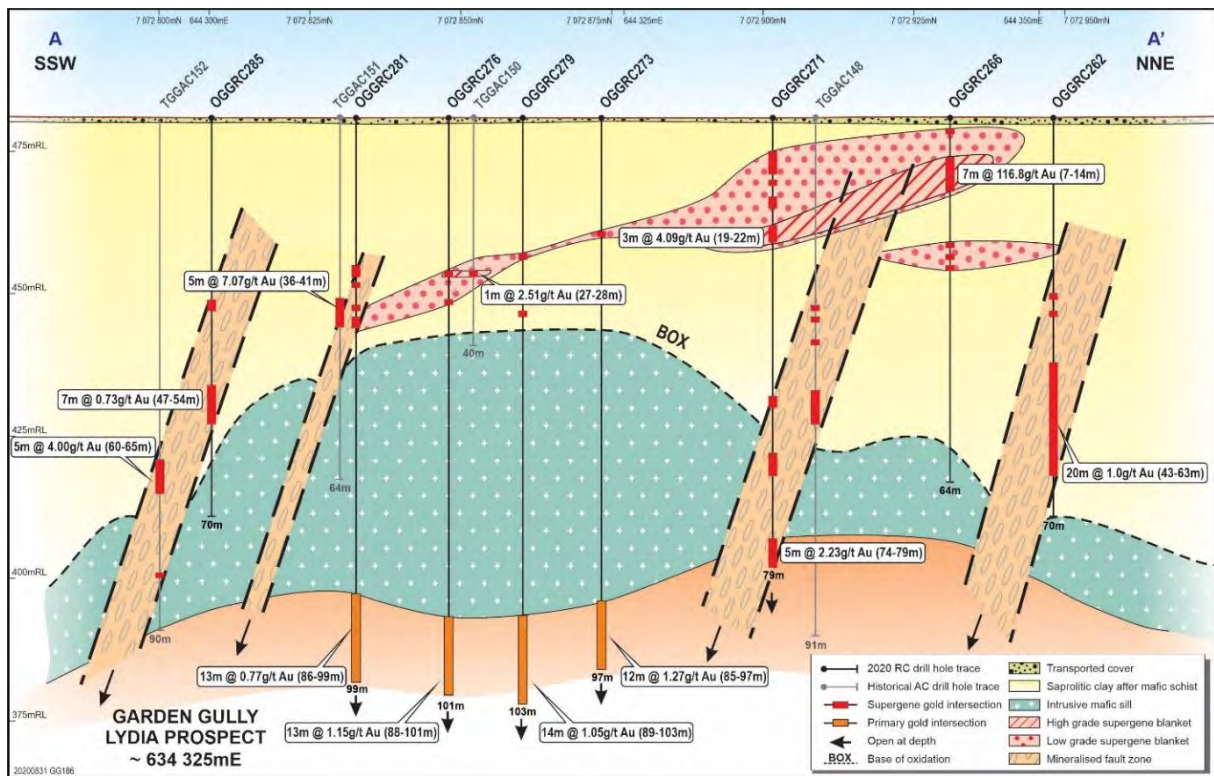


Figure 7. Lydia SSW/NNE long section showing drill holes within 10m slice with significant intersections and the current interpretation of the mineralisation, structures and lithology.

REVIEW OF OPERATIONS

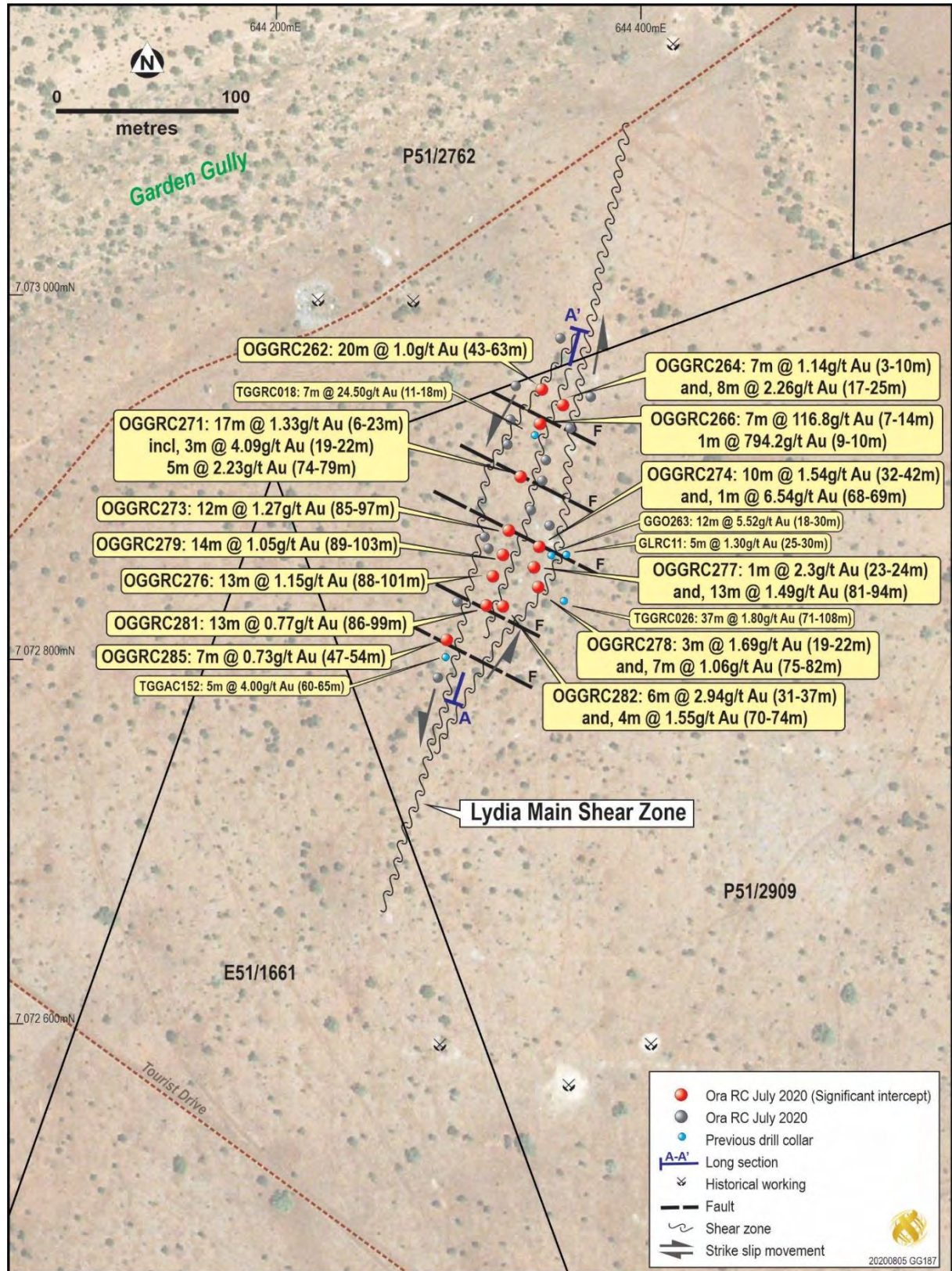


Figure 8. Significant gold intersections from the 2020 drilling program and previous supergene gold intersections in the middle section of the mineralised Lydia Shear Zone

REVIEW OF OPERATIONS

Abbotts Project (Gold)

The Abbotts Gold Project is located about 37km north-north-west of Meekatharra alongside the well-maintained gravel Mt Clare Road on the Abbotts Lineament. The historical Abbotts Mining Centre, with its New Murchison King and Mt Vranizan mines, produced 37,055 tonnes at 32g/t Au recovered gold grade (GSWA Bull. 96) from a series of mineralised structures of 1000m strike length and depth of less than 80m.

Gold mineralisation is associated with quartz veining in en-echelon, north-striking, near-vertical mineralised structures, potential interlinking Riedel shears and small stockworks. Earlier reported reverse circulation and diamond drilling at Abbotts (6 August 2019) targeted the near surface mineralisation over the New Murchison King and South Vranizan areas and tested deeper extensions (Figure 9).

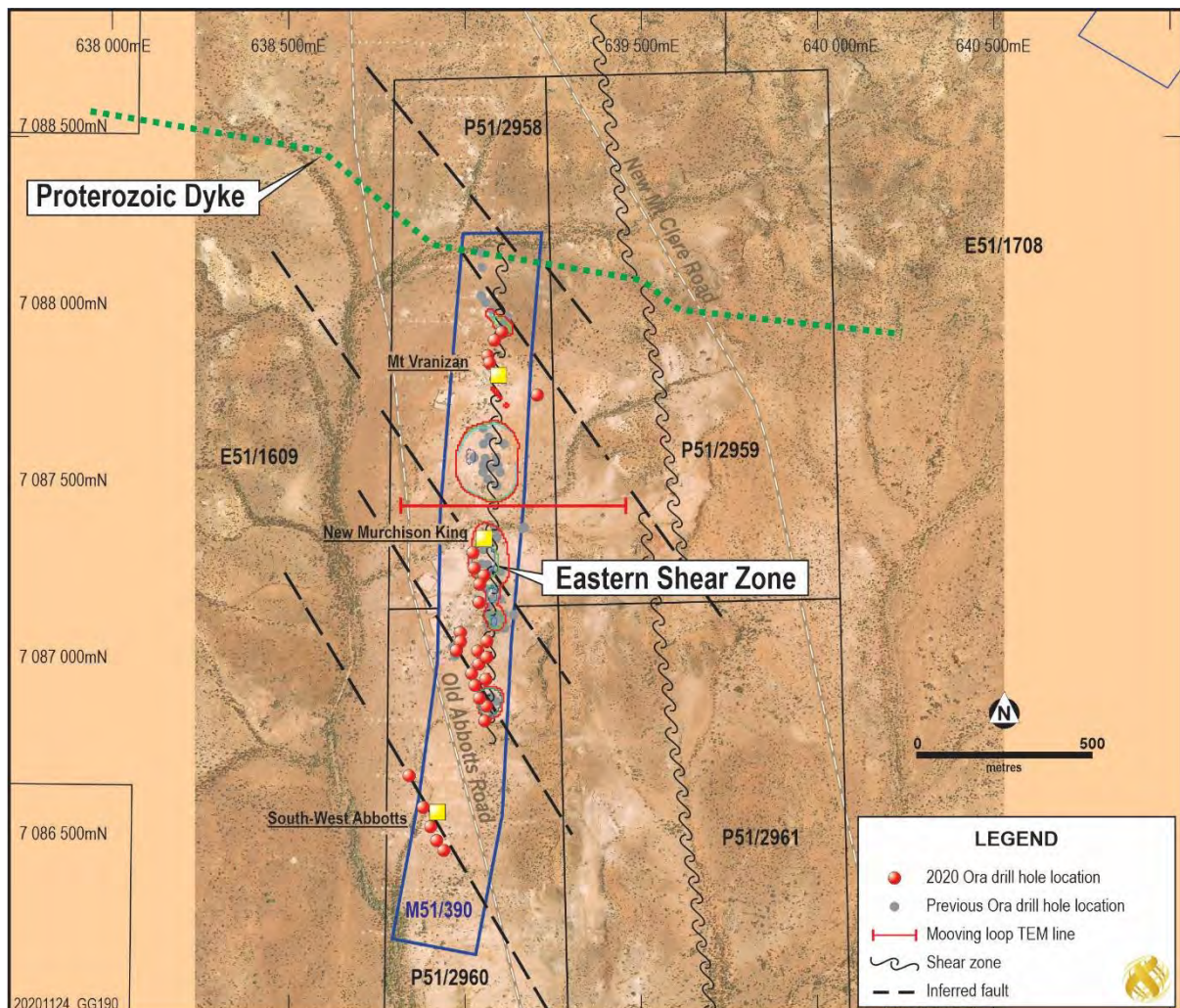


Figure 9. Recently drilled holes and the inferred north-west trending structures at Abbotts.

Ora Gold has completed two drilling programs for near-surface mineralisation in the New Murchison King area and the deeper extensions of the Eastern Shear Zone.

Interpretation of all data to date indicates continuity of the high-grade Eastern Zone over a strike length of about 1,000m and depth to 200m below surface. (Figure 10).

REVIEW OF OPERATIONS

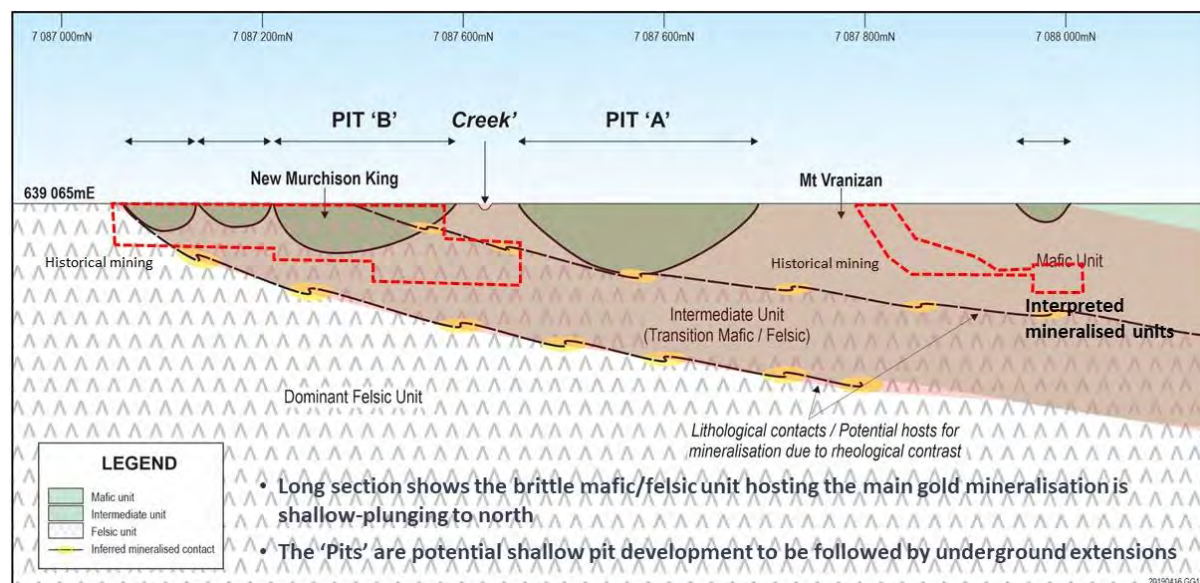


Figure 10. Long section interpretation of the Abbotts Gold Project

The more significant intersections from Ora Gold were in the Eastern Shear Zone and are as follows:

- 6m at 7.94 g/t Au from 47m in OGGRC173**
- 4m at 17.82 g/t Au from 0m in OGGRC181**
- 1m at 6.72 g/t Au from 38m in OGGRC187**
- 10m at 3.15 g/t Au from 42m in OGGRC188**
- 1m at 5.72 g/t Au from 10m in OGGRC190**
- 4m at 6.50 g/t Au from 48m in OGGRC212**
- 1.7m at 8.04 g/t Au from 125.8m in OGGDD217**

The reverse circulation program confirmed previous drilling (pre-2002) with results that were as expected or slightly better, while the diamond drilling testing the down-dip extension of the Eastern Shear Zone below the high grade shallow historical workings confirmed the continuity of the Eastern Shear Zone to 170m below surface.

In September 2020, a reverse circulation drilling program of 24 holes totalling 1,690m was completed to target a series of north-west trending faults that off-set the Eastern Shear Zone. These mineralised structures are considered to represent possible dilational jogs/Riedel shears or splays associated with the compressional regime which formed the Eastern Shear Zone at the contact between a volcanic-sedimentary unit, to the east and a massive and more competent/brittle dacite sill, to the west. All the assay results from this program are pending.

Government Well Prospect (Base Metals and Gold)

The Government Well base metals and gold prospects, CVG and CVI, are located about 5km north of the Abbotts Gold Project in the Greensleeves Formation, and of similar age and geological setting as significant base metal deposits in the Yilgarn Craton.

These two strong conductors (CVG and CVI) have been identified by MLTEM (Moving Loop Transient Electromagnetic) surveys and their surface projections are shown on the total magnetic intensity and air photo image in Figure 11. Both conductors are modelled to be dipping steeply to the west under a magnetic mafic-ultramafic package.

During the year, 43 reverse circulation holes were drilled over both delineated conductors totalling 3,419m and the best intersections are displayed in Figures 12 (CVI) and 15 (CVG).

REVIEW OF OPERATIONS

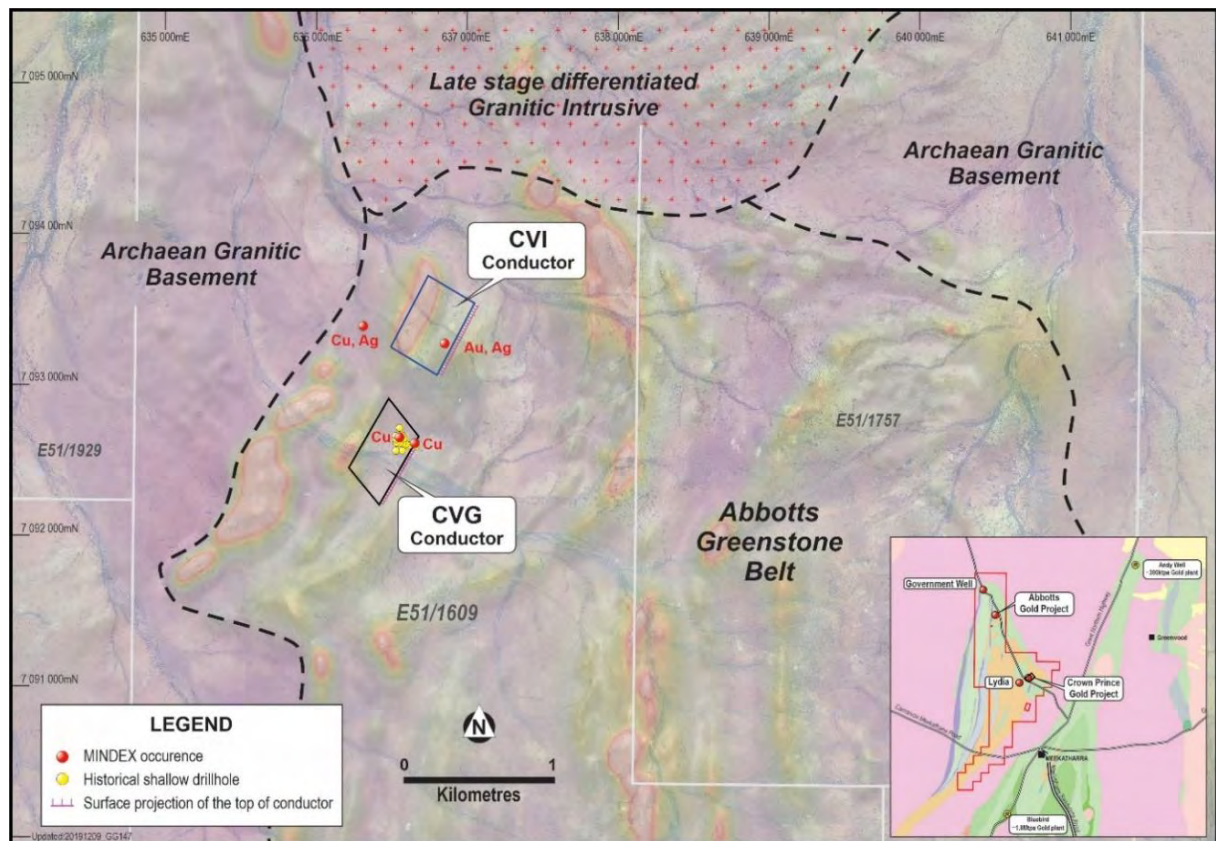


Figure 11. Government Well modelled conductors on total magnetic intensity image and aerial photo

Drilling of the CVI conductor discovered a new gold zone and its interpretation led to a new model for targeting gold deposits in the strongly deformed footwall of a conductor. Geophysical anomalies (conductive and chargeable) previously assessed for base metal mineralisation, are also prospective for gold mineralisation.

The best CVI drill intersection was in OGGRC253 of 15m at 0.51g/t Au from 181m, including 3m at 1.05g/t Au from 185m, and OGGRC258 returned 26m at 0.5g/t Au from 34m, including 5m at 1.71g/t Au from 48m within the weathering profile of the same mineralised structure.

The CVI area ground XRF survey, soil sampling and mapping of the limited outcrop showed that the surface projection of the conductor lies close to a major lithological contact. Drilling confirmed the new gold zone to be in the footwall of the CVI conductor. The structural setting for the mineralisation was modelled including logged metamorphic grade trends and indicated the gold mineralisation to be hosted by a high-strain shear zone located on the mafic unit footwall of the 400m strike length delineated conductor (Figure 13).

Further potential high-grade mineralised zones may be present under a north-west trending drainage to the north of the drilling program (Figure 13) and further drilling will be undertaken. The north-west trending structure appears to form a Riedel dilational zone between two north-east trending shears defined by a magnetic ultramafic unit, to the west and an amphibolitic package to the east (Figure 14).

REVIEW OF OPERATIONS

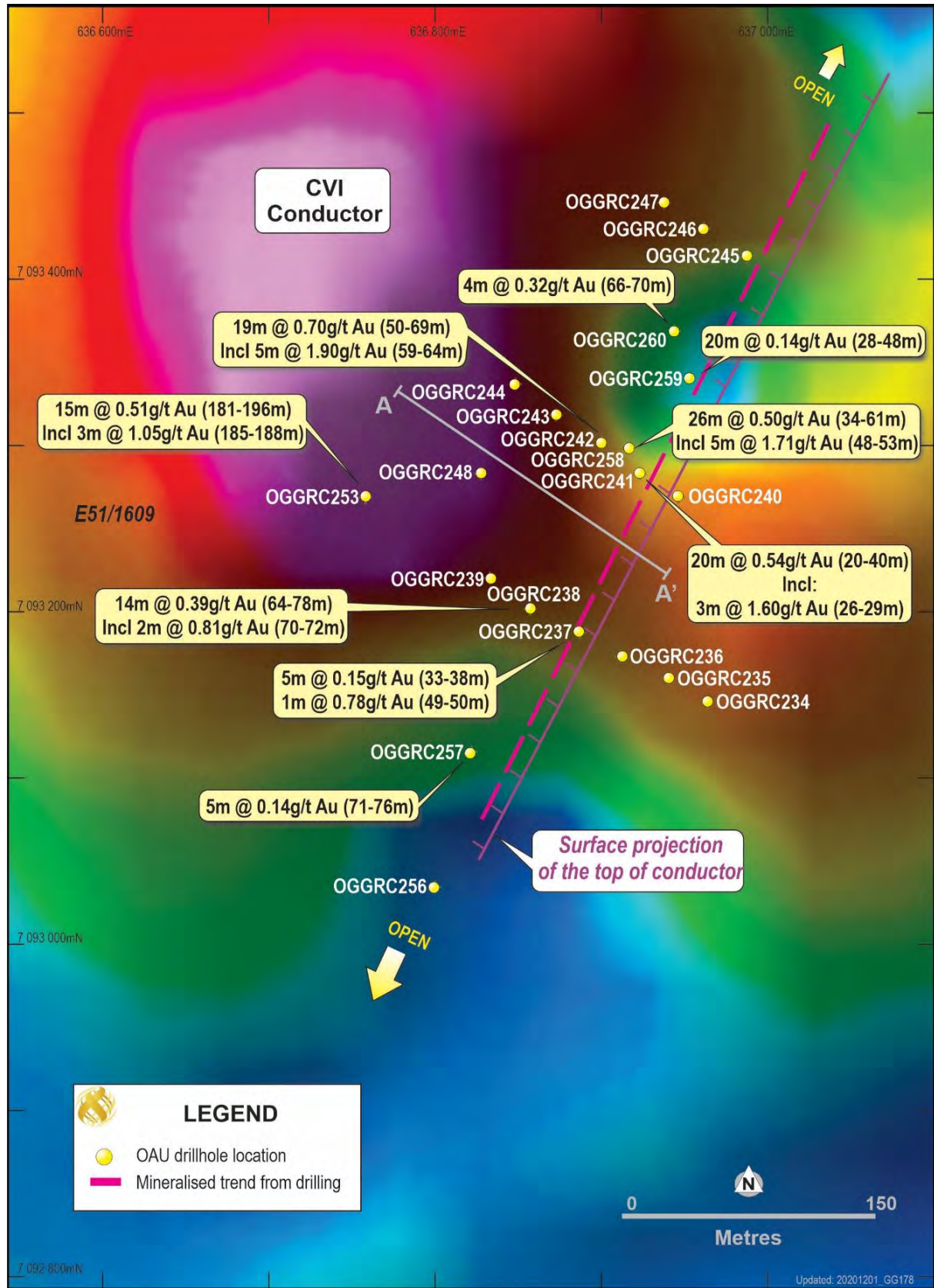


Figure 12. Plan view showing significant intersections over the CVI conductor

REVIEW OF OPERATIONS

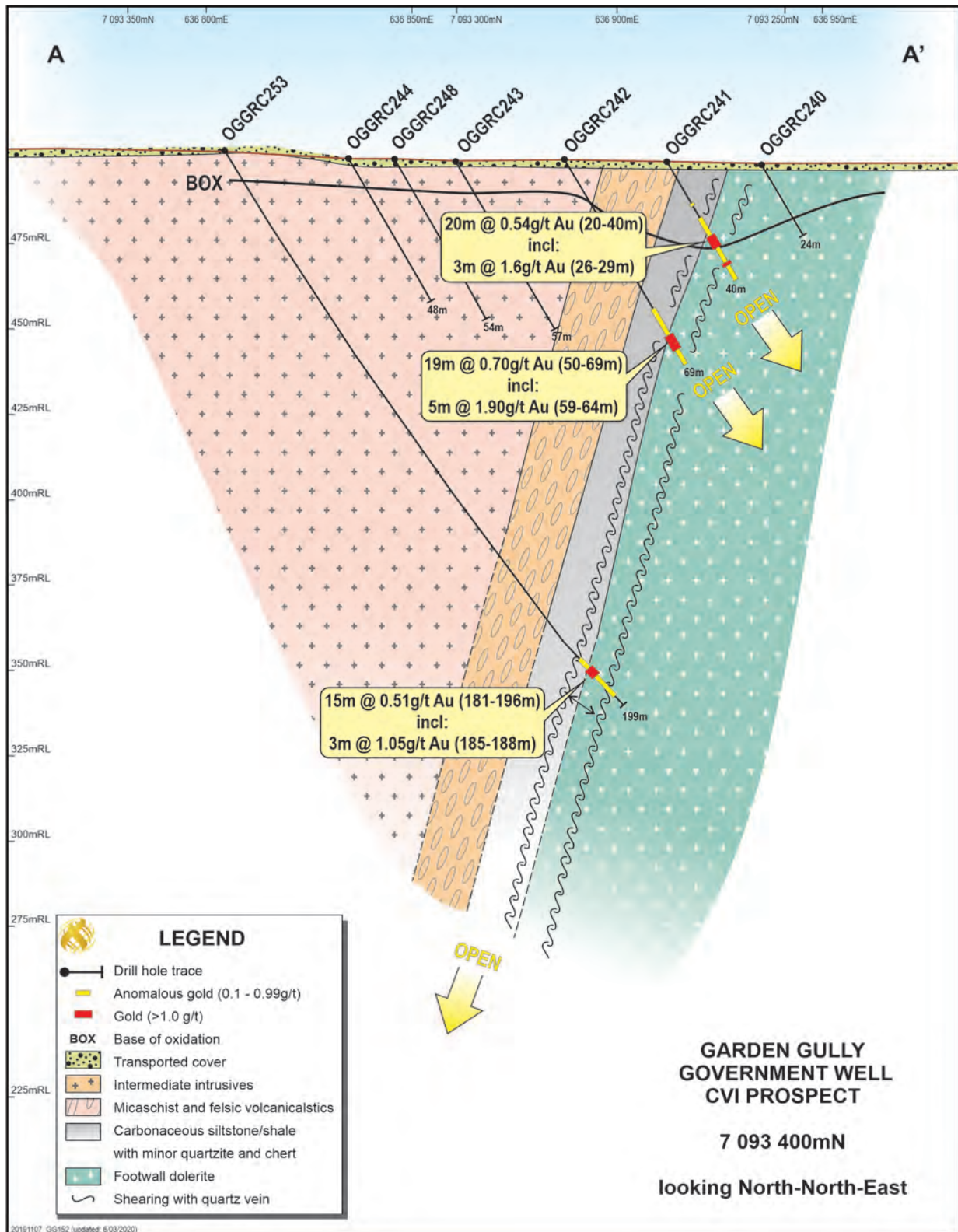


Figure 13. Cross-section through the middle part of the CVI conductor with significant gold intercepts.

REVIEW OF OPERATIONS

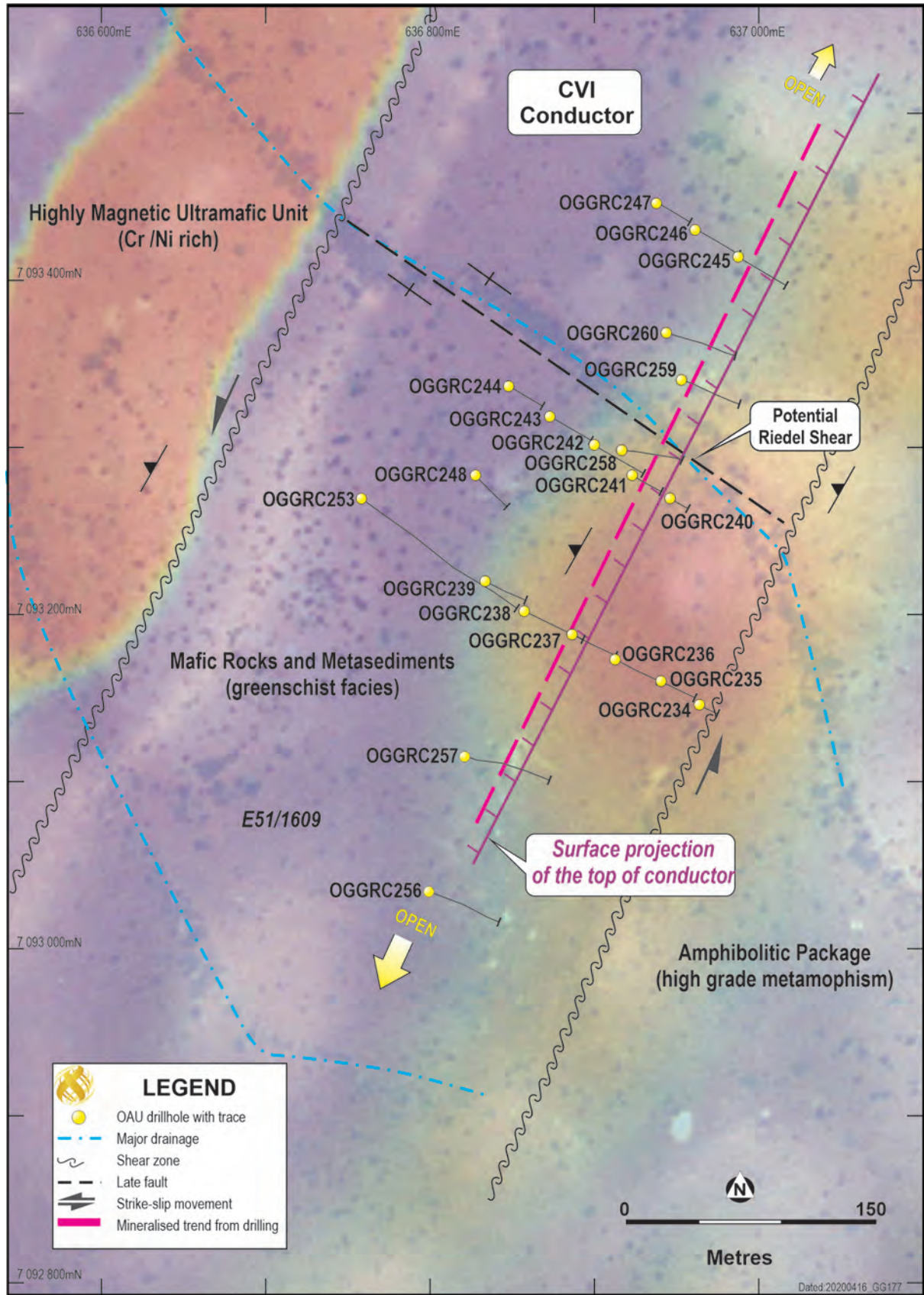


Figure 14. Structural setting of the CVI conductor with drill hole traces on TMI and aerial photo images.

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REVIEW OF OPERATIONS

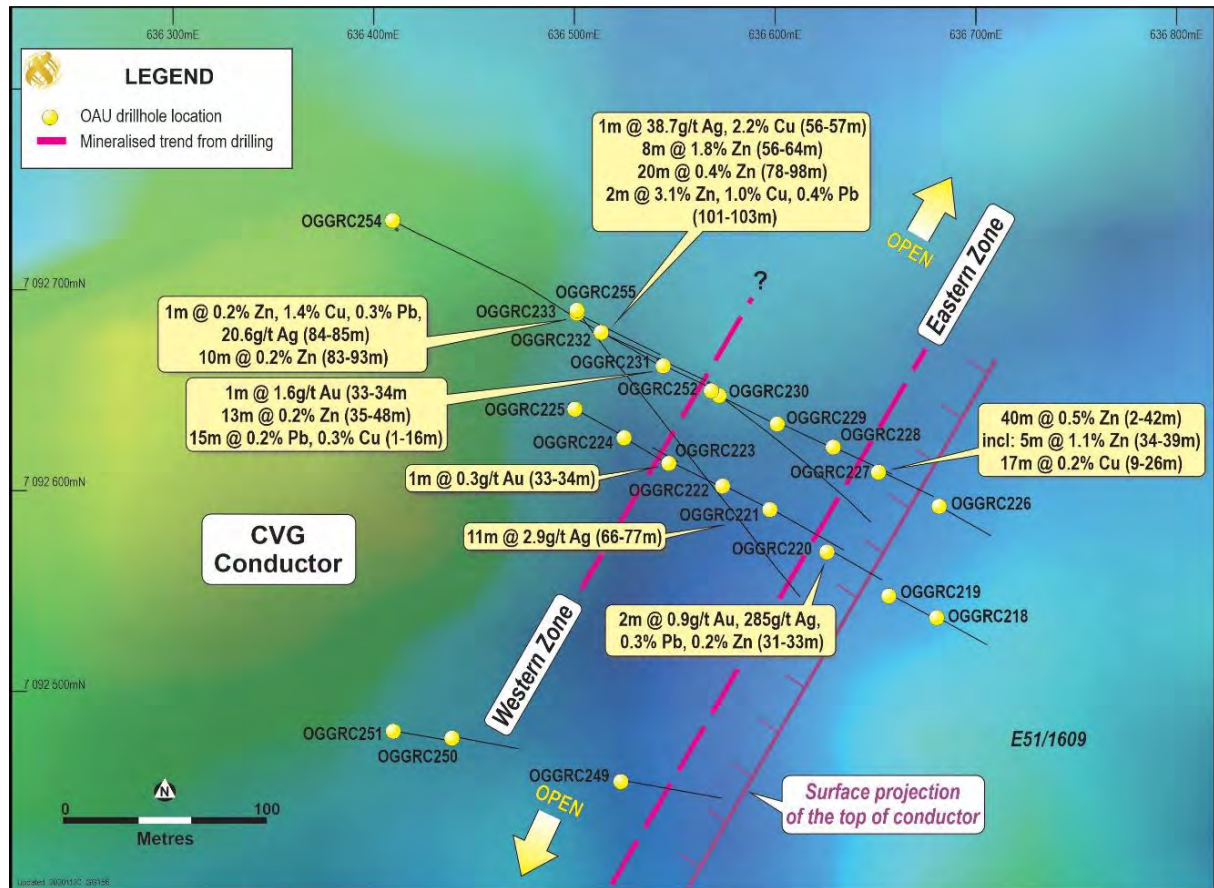


Figure 15. Plan view showing significant intersections over the CVG conductor.

At the CVG (southern) conductor, two zones with highly anomalous gold, zinc, copper and lead values have been intersected and further drilling is needed to follow up these results.

A deep hole of 260m drilled at CVG targeted both polymetallic eastern and western zones (OGRC255, Figure 15) and intersected the conductive zones, which were highly anomalous in zinc, copper and lead values, however no significant intersections were returned. A geochemical assessment will be undertaken to vector potential massive sulphide lenses within this well-defined conductor.

Abernethy Shear Zone

This major structure located on the south extremity of the tenure was a gold target for various explorers since the 1970's.

Although previous explorers drilled multiple high grade gold intersections along a 7km strike, the lack of outcrop, large variations in thickness of transported cover and the presence of anomalous arsenic in multiple (non-mineralised) black shale units, resulted in this earlier drilling being done in the wrong areas.

Evaluation and re-interpretation of all previous data shows that the main gold target along the Abernethy Shear Zone is the footwall contact of a tonalite unit with shale or chloritic schist units due to the competency contrast of these rocks (Figure 16). The hanging wall (north-western) side of the tonalite unit has given the best gold intersections to date, which are yet to be followed up, however most of these shallow high-grade gold intersections appear to be of a paleo-channel system sourced from the tonalite contact mineralisation. The more prospective footwall side of the tonalite remains a largely undrilled target.

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REVIEW OF OPERATIONS

Ora Gold will focus on the two tonalite contact zones along the main structure between the Abernethy South and Airstrip prospects where the best gold intercepts occur.

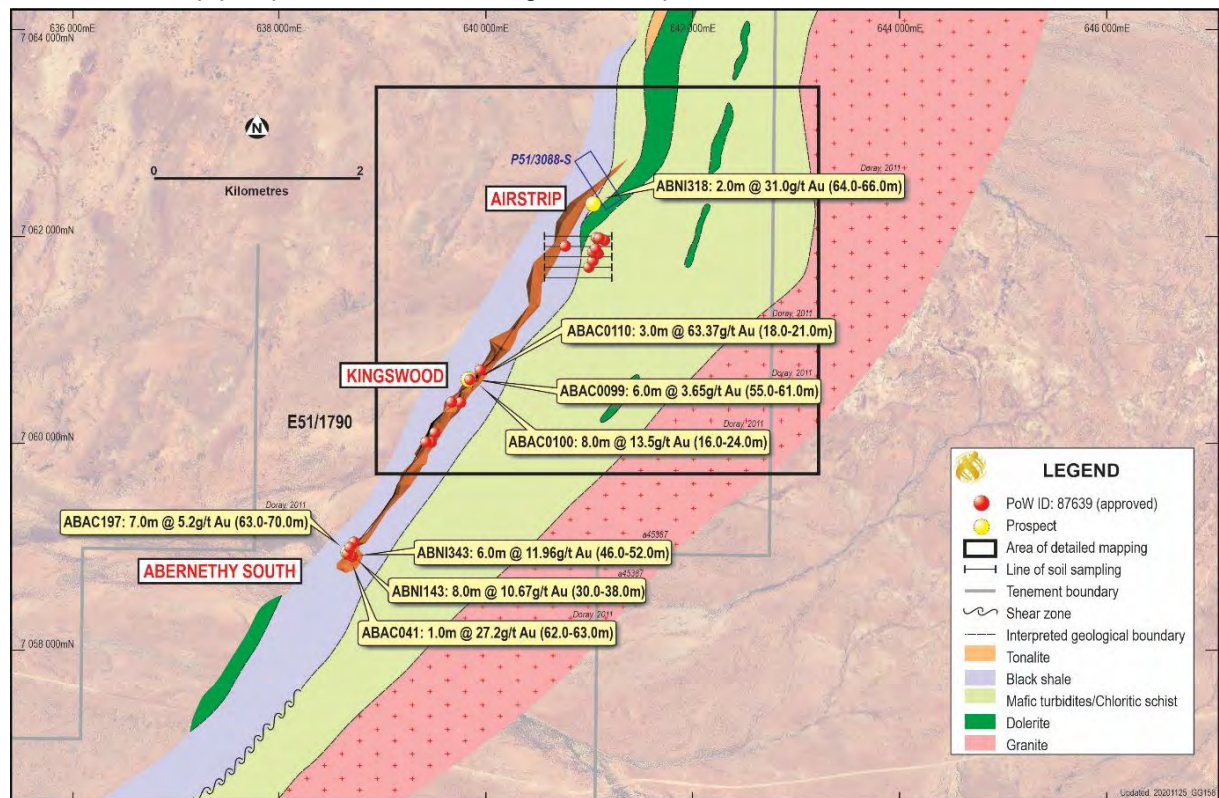


Figure 16. Abernethy Shear Zone showing main prospects and gold intersections

Transylvania Prospect (Gold)

This area has several shallow gold intersections and a long zone of historical workings located along a valley with thick transported cover. Immediately to the east, Westgold Limited commenced mining a deposit which appears to be hosted on a sub-parallel similar structure.

Reverse circulation drilling has intersected thin gold mineralisation with arsenopyrite and a SAM (sub-audio magnetic) survey has identified several potential gold targets, which will be tested by further shallow drilling (Figure 17).

REVIEW OF OPERATIONS

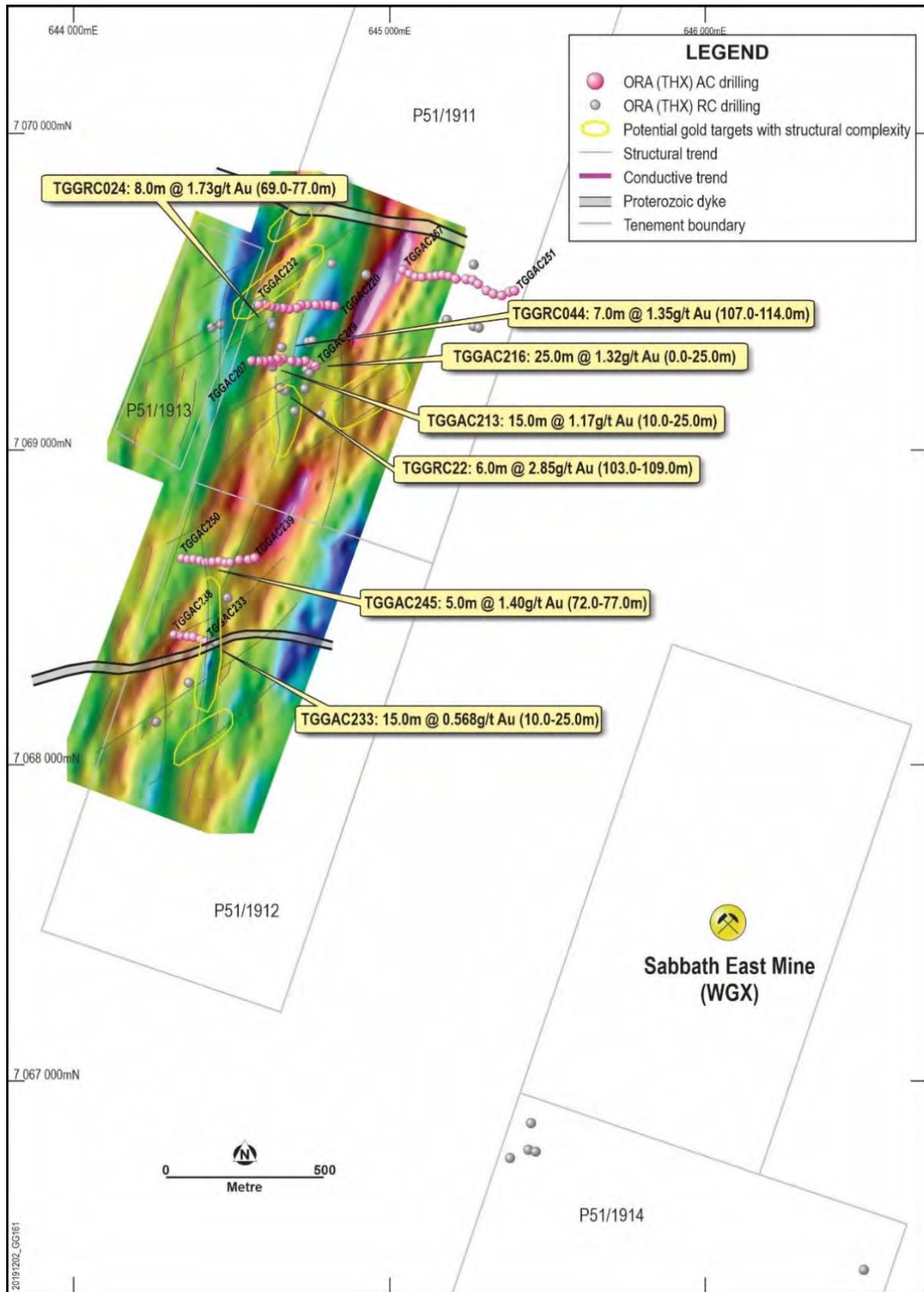


Figure 17. Transylvania SAM survey gold targets and significant drill intersections

REVIEW OF OPERATIONS

Young Prospect (Gold)

This prospect is located on the north-eastern flank of the Abbotts Greenstone Belt and at the northern end closure of the prospective sheared dolerite. Limited exploration and drilling were undertaken by BP Mining and St Barbara Mines in the past (Figure 18).

Several old gold workings are present within the area and Ora Gold has intersected high-grade gold in shallow air core drilling to the west of the workings. A SAM survey has delineated multiple targets for further drilling.

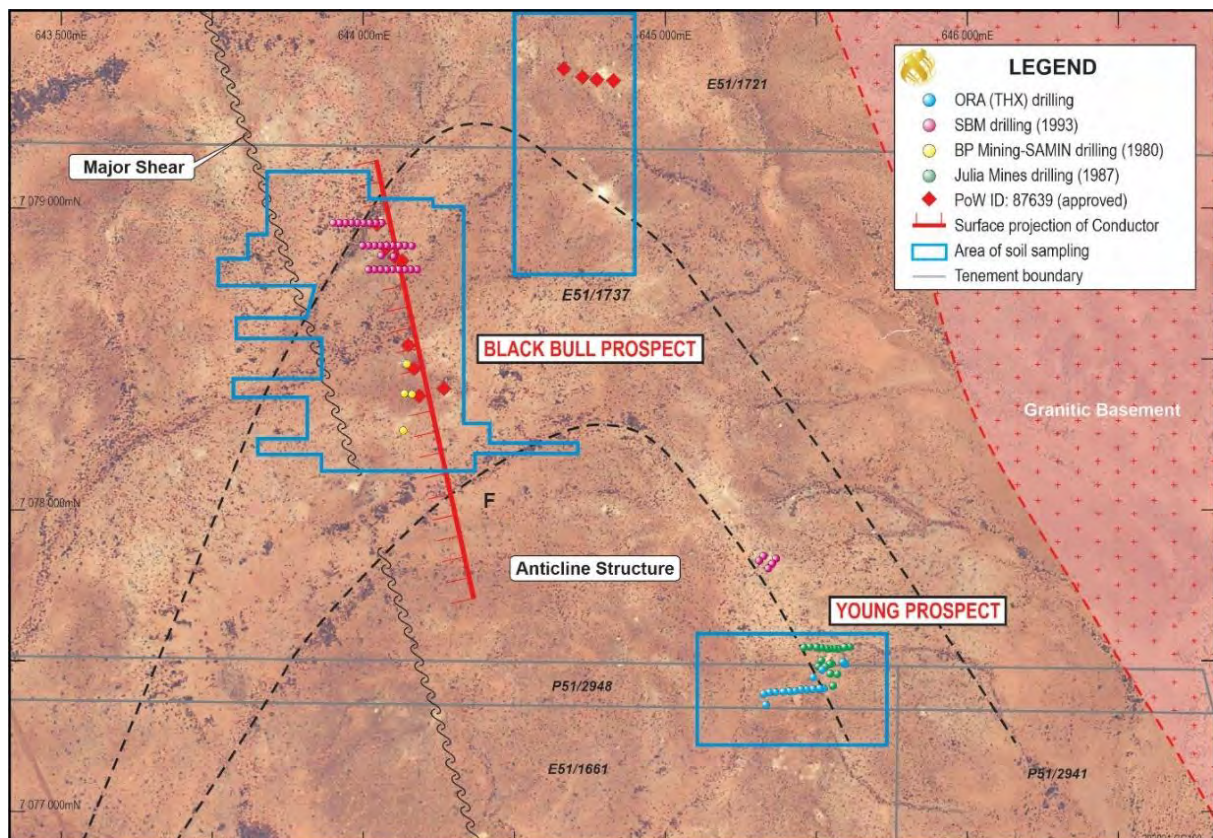


Figure 18. Young and Black Bull prospects showing mineralised structures and targets

Black Bull Prospect (Base metals and gold)

The Black Bull prospect is located one kilometre north-west of Young (Figure 18) and was explored by BP and St Barbara Mines for base metals and gold, targeting the ferruginous caps/potential gossans. The limited BP drilling tested EM anomalies and intersected slightly sulphidic shales/graphitic schists and chloritic schists while SBM intersected anomalous gold in two holes. A strong conductor was defined by a MLTEM (Moving Loop Transient Electromagnetic) survey, which indicates a north-westerly strike with a steep south-westerly dip for the conductor.

Limited soil XRF testing was done over selected areas and the assay results are pending. Several proposed holes are already approved by DMIRS and will target the strong conductor and ground geochemistry.

REVIEW OF OPERATIONS

Additional Abbotts Greenstone Belt targets

Numerous additional gold and base metal targets are being assessed on the Company's Abbotts Greenstone Belt tenements (Figure 19).

The discovery of gold mineralisation in the strongly deformed footwall in drilling the CVI conductor at Government Well (13 November 2019) indicates that **geophysical anomalies (conductive and chargeable) assessed previously for base metal mineralisation are also prospective for gold mineralisation**. A review is underway of all previous exploration results from moving loop electromagnetic (MLTEM, 2015) surveys and induced polarisation (IP, 2016 - 2018) surveys to identify potential new gold deposits. Initial targets based on this new model for gold deposits include:

- shale units with interbedded felsic volcanoclastics, which were explored only for base metals;
- all significant chargeable features, previously untested, and located within the middle part of the belt will be considered as potential drill targets for gold and base metals
- two conductive plates obtained from an MLTEM survey in 2017 within the **Ascuns** area to the south-west of the **Black Bull – Ascuns Lineament** as shown in Figure 19. Only the southern margin of the second plate was tested by drilling and the lack of gold anomalism had discouraged further exploration within that part of the tenements. All drilled holes had stopped within black shale lithology, but without testing the footwall of the package, which is now considered prospective for gold mineralisation;
- chargeable anomalies located just north of the major Garden Gully drainage within a graben structure and hosted by the prospective sheared dolerite unit (Meyers, 2019), which is analogous to the mineralised, strongly deformed eastern flank of the Abbotts Greenstone Belt.

Other prospects for gold deposits include the **White Horse-Big Gum Lineament** and the Blue Horse area, which contain numerous old workings for gold. Best gold intersections in the White Horse – Big Gum area have been obtained from the central part of the inferred structure at **Starlight Moon** prospect and rock chips with visible gold up to 245g/t Au have been returned from **White Horse** area.

The **Blue Horse** prospect had limited ground XRF surveys and soil sampling carried out during the year. The gold-hosting structure, which was tested in 1990's by shallow drilling, contains anomalous arsenic content and soil anomalism indicates that the shear/fault zone extends southerly for at least 300m, though not yet tested by drilling.

Soil sampling was also undertaken over selected areas shown on Figure 19 with most of the assay results still pending. Four major gold lineaments have been delineated as the main priority targets for further drilling and several significant induced polarisation (chargeable) anomalies, previously untested will be reconsidered as new drill targets.

A comprehensive assessment of the gold and base metal potential of the Abbotts Greenstone Belt was completed during the year with the prospective areas retained and the rest being relinquished, particularly large areas covering the western flank of the Abbotts Syncline.

REVIEW OF OPERATIONS

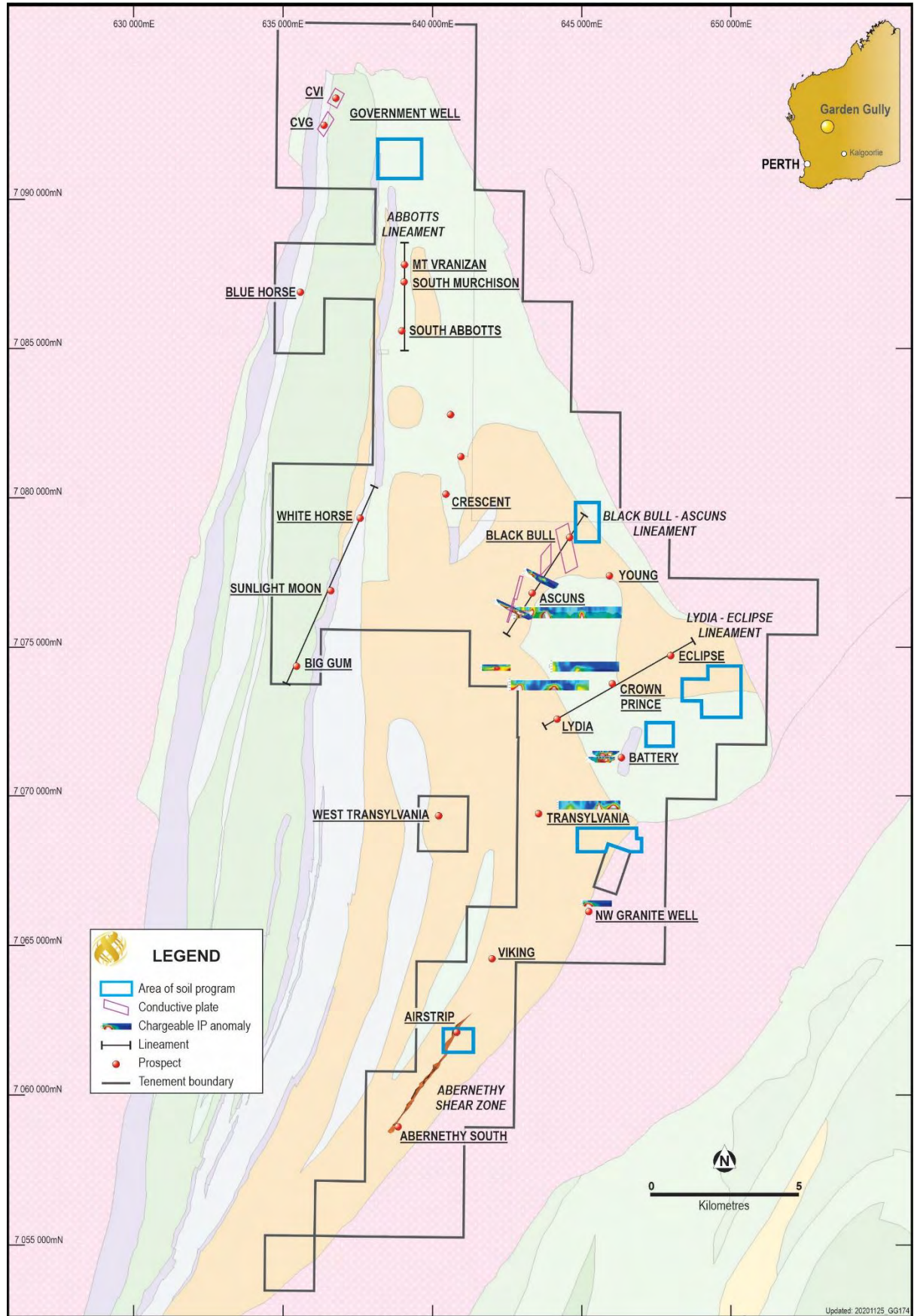


Figure 19. Targets in Ora Gold tenements over the prospective portion of the Abbots Greenstone Belt

REVIEW OF OPERATIONS

RED BORE BASE METAL PROJECT (M52/597, OAU 90% interest)

The operator of the Red Bore Project advises that no field work was carried out during the year. Processing of passive seismic HVSR survey data collected in 2019 using Tromino seismometers as part of a regolith study was almost completed. Figure 20 shows the location of the passive seismic HVSR station locations, which correspond to most air-core drillhole collars for holes drilled by Richmond in 2018.

This information forms the basis for a research project into lateral changes in average shear wave velocity of regolith saprolite cover due to parent rock type, structural shearing, hydrothermal alteration, and other factors, to be utilised by a Curtin University honours student. Preliminary information and observations from this study are shown in Figures 20 and 21.

The depth of weathering at Red Bore is shown in Figure 21. The average calculated shear wave velocity (V_s) is shown in Figure 22: note that dolerite, which is generally not deeply

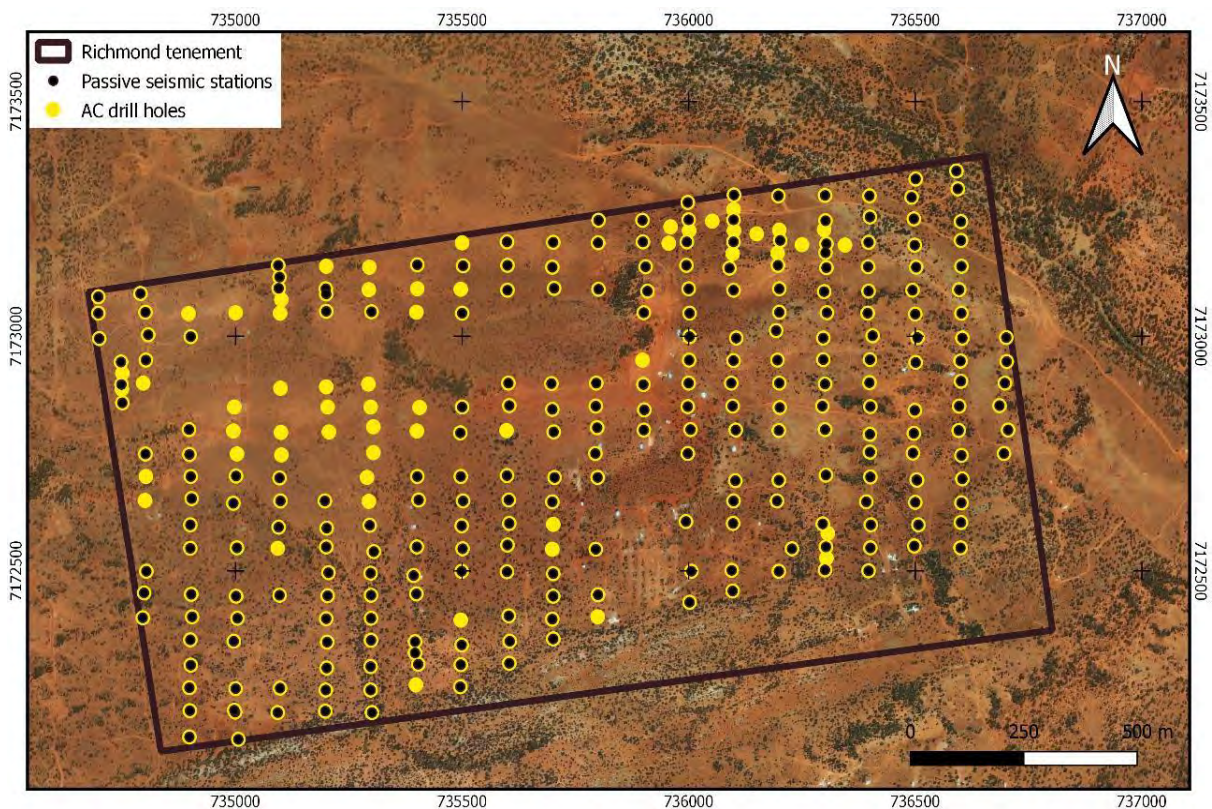


Figure 20. Red Bore passive seismic HVSR station locations (black) and air-core drillhole collar locations (yellow). Passive seismic recordings were not collected where the fresh dolerite bedrock was outcropping or where air-core holes were spaced close together.

weathered, has the lowest average regolith V_s values due to shallow and thin regolith cover comprised of a porous saprolite clay layer, whereas deeply weathered sediments/felsics have a higher average regolith V_s due to compaction of saprolitic clays having lower porosity and quartz sand grain clasts resisting weathering with increasing weathering depth.

REVIEW OF OPERATIONS

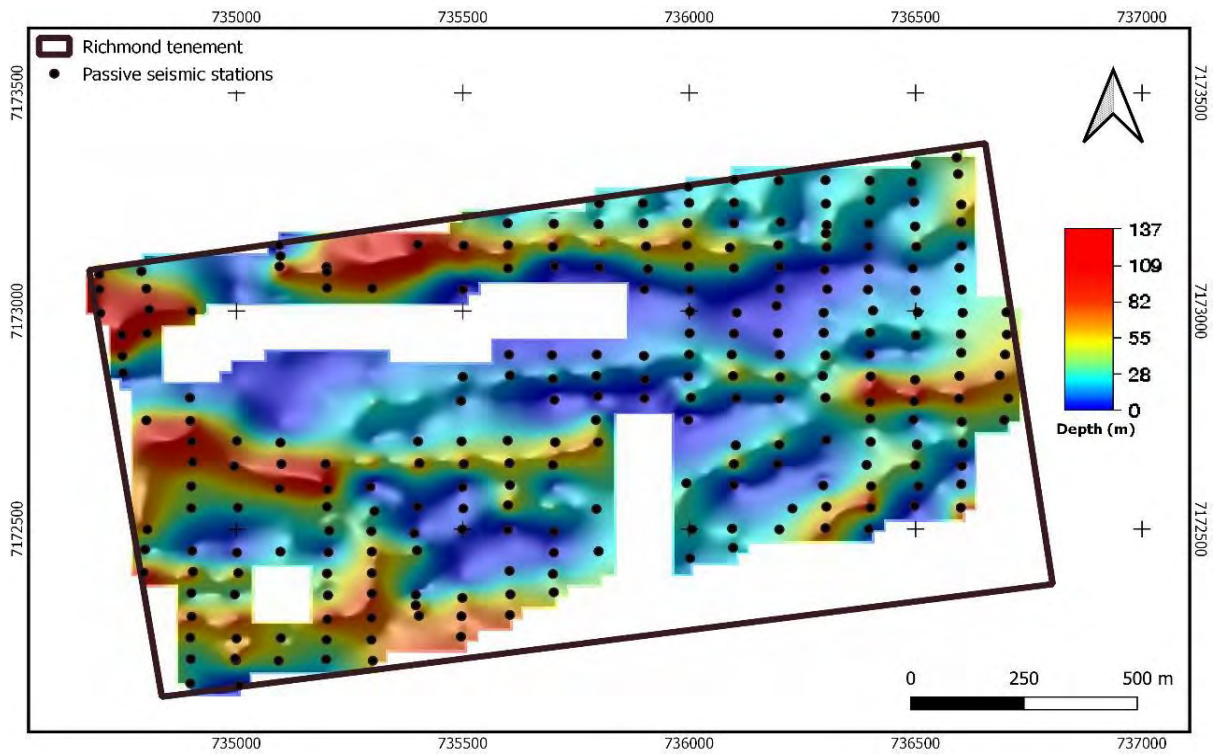


Figure 21. Red Bore depth to fresh bedrock from drilling at passive seismic station locations, where deep weathering follows sedimentary/felsic rock units or narrow shears/faults crossing through dolerite sills.

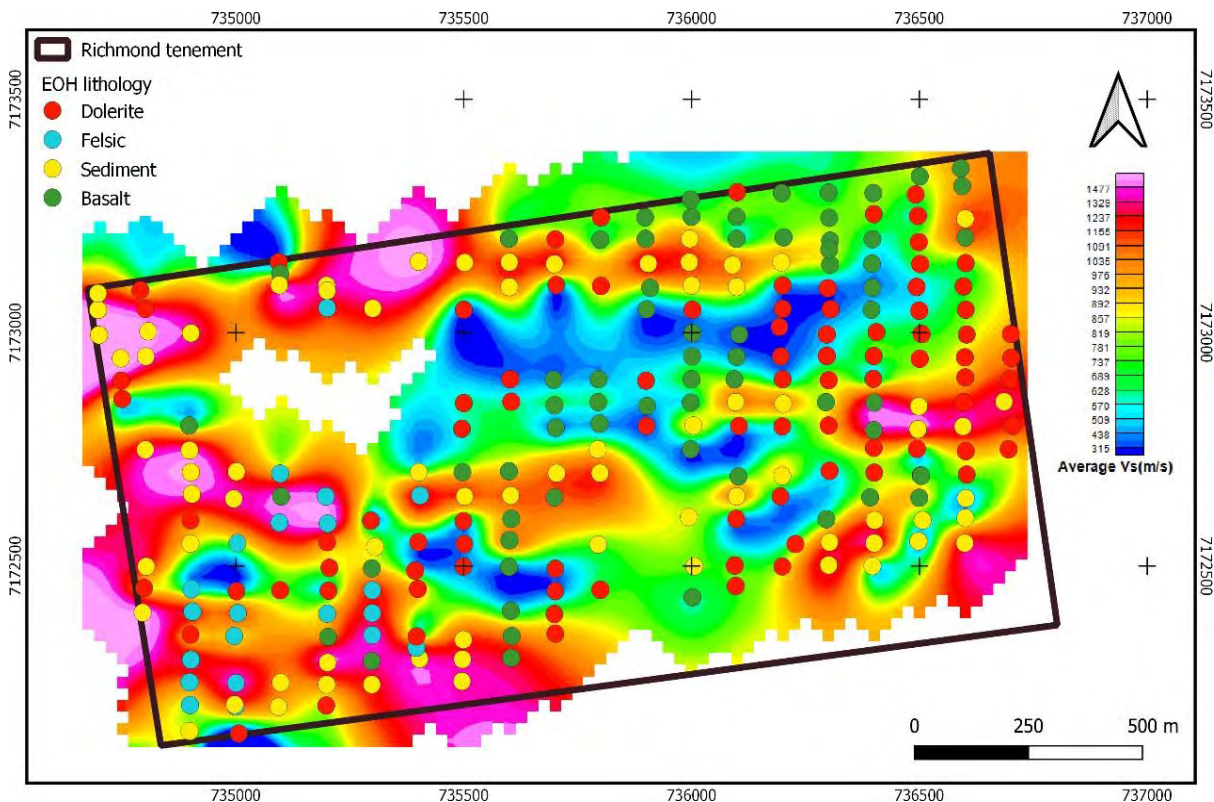


Figure 22. Red Bore passive seismic HVSR station locations coloured by end-of-hole lithology and the average calculated shear wave velocity (V_s) of the regolith cover at each station.

REVIEW OF OPERATIONS

KELLER CREEK NICKEL AND GRAPHITE PROJECT (E80/4834, OAU 20% free-carried interest)

Ora Gold holds a 20% free-carried interest in the Keller Creek tenement through to a decision to mine. Panoramic Resources (PAN), which operates the Savannah Nickel Mine adjacent to the tenement, holds 80% in Keller Creek and manages exploration on the tenement. PAN have reported during the reporting period that development and exploration have resumed at the Savannah Nickel Mine.

The PAN 2020 Annual Report indicates that strong electromagnetic anomalism based on drill hole SMD167A (potential western extension of the Savannah North Upper Zone) may be open into the tenement.

The PAN Annual Report 2020 also reports drilling results of graphite mineralisation on the Keller Creek tenement and states that “The grade and flake quality of the Keller Creek graphite appears to be very similar to Hexagon Resources Limited’s (ASX: HXG) McIntosh Project, located 40km to the SE of Savannah, which has a reported Mineral Resource (based on a 3% TGC cut-off grade) of 23.8 million tonnes grading 4.5 % TGC contained within four separate deposits. Based on the Company’s initial drill test results and the broad extents of the graphitic horizons within the Keller Creek tenement demonstrated by previous electromagnetic surveys, there is a high probability that the Keller Creek project tenement contains large quantities of graphite of a similar grade and quality to the McIntosh Project.”

PRODUCTION AND DEVELOPMENT

None of Ora Gold’s projects are at a production or development stage and consequently there were no activities during the quarter relating to production or development.

MINERAL RESOURCES AND ORE RESERVES STATEMENT:

Crown Prince Gold Project

The 2019 Mineral Resource estimate was undertaken by Ora Gold, consultants and Cube Consulting Pty Ltd of Perth and announced on 21 October 2019, according to the requirements of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 (JORC Code) and the Australian Securities Exchange Listing Rules (Listing Rules).

CROWN PRINCE GOLD PROJECT 2019 MINERAL RESOURCES ESTIMATE

| Indicated Resource | | | Inferred Resource | | | Total Resource | | |
|--------------------|-----------------|---------------|-------------------|-----------------|---------------|----------------|-----------------|---------------|
| Tonnes | Grade g/t Au | Ounces Au | Tonnes | Grade g/t Au | Ounces Au | Tonnes | Grade g/t Au | Ounces Au |
| 218,000 | 4.3 | 30,000 | 261,000 | 3.1 | 26,000 | 479,000 | 3.6 | 56,000 |

Figures are rounded to reflect relative uncertainty of the estimates

REVIEW OF OPERATIONS

Red Bore Base Metal Project

At the end of the reporting period, Ora Gold has a 90% equity interest in the estimated mineral resources at the Red Bore Copper-Gold Project. Red Bore comprises one granted Mining Licence M52/597 and is a joint venture between Ora Gold (90%) and Mr W. Richmond (10%). The estimated Mineral Resources (100%) in the table below were reported to the Australian Stock Exchange on 4 May 2012. Since the original Red Bore Mineral Resource was reported in 2012, there have been no subsequent exploration results that would warrant a recalculation of the resource.

RED BORE 2012 INDICATED MINERAL RESOURCES ESTIMATE

| Material | Tonnes | Bulk Density | Cu (%) | Tonnes Cu | Au (%) | Au Ounces |
|--------------|---------------|--------------|------------|--------------|-------------|------------|
| Oxide | 20,000 | 3.2 | 2.9 | 600 | 0.40 | 270 |
| Transitional | 12,000 | 3.2 | 4.2 | 480 | 0.50 | 180 |
| Fresh | 16,000 | 3.1 | 4.0 | 660 | 0.40 | 190 |
| | 48,000 | 3.2 | 3.6 | 1,740 | 0.40 | 650 |

Figures are rounded to reflect relative uncertainty of the estimates

On 29 October 2020, the Company executed a new Red Bore Joint Venture with Sandfire Resources Limited. Under the Agreement and related documentation, Sandfire acquired a 75% interest in Red Bore from the Company and a further 10% interest from the Company's former joint venture partner. Ora Gold retains a 15% interest which is free carried until a decision to mine. We consider that the new joint venture represents an excellent opportunity to commercialise Ora Gold's Red Bore interest, by exploiting the synergies with Sandfire's neighboring DeGrussa operations.

REVIEW OF OPERATIONS

COMPETENT PERSONS' STATEMENT

The details contained in this report that pertain to Exploration Results, Mineral Resources or Ore Reserves, are based upon, and fairly represent, information and supporting documentation compiled by Mr Philip Mattinson, Mr Costica Vieru, Mr Philip Bruce and Mr Brian Fitzpatrick. Mr Mattinson and Mr Vieru are Members of the Australian Institute of Geoscientists. Mr Mattinson is a consultant to the Company, Mr Vieru is a full-time employee of the Company and Mr Bruce is a Fellow of the Australasian Institute of Mining and Metallurgy and a Director of the Company. Mr Fitzpatrick is a Principal Geologist with Cube Consulting Pty Ltd and a Member of the Australasian Institute of Mining and Metallurgy, who has undertaken check validation and geo/statistical assessment of the data, then block modelled and estimated the tonnage and grade of the mineralisation, which was assessed by Mr Vieru and Mr Bruce for appropriate cutoff grade and to confirm resource categorisation. The Competent Persons have sufficient experience which is relevant to the style(s) of mineralisation and type(s) of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). All consent to the inclusion in this report of the matters based upon their input into the information in the form and context in which it appears.

COMPETENT PERSON'S STATEMENT– Red Bore Base Metal Project

The information in this announcement that relates to Red Bore Project Exploration Results is based on information compiled by Dr Jayson Meyers, who is a Fellow of the Australian Institute of Geoscientists. Dr Meyers is a consultant to Mr William Richmond. Dr Meyers has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Meyers consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

For personal use only

DIRECTORS' REPORT

The Directors present their report on the Consolidated Entity (or Group) consisting of Ora Gold Limited and the entities it controlled at the end of, or during, the year ended 30 September 2020.

INFORMATION ON DIRECTORS

The following persons were Directors of Ora Gold Limited ("Company") and were in office during the financial year and until the date of this report unless otherwise stated.

| | |
|------------------------|------------------------|
| Mr Rick W Crabb | Non-Executive Chairman |
| Mr Frank DeMarte | Executive Director |
| Mr Malcolm R J Randall | Non-Executive Director |
| Mr Philip G Crabb | Non-Executive Director |
| Mr Philip F Bruce | Non-Executive Director |

PRINCIPAL ACTIVITY

The principal activity of the Consolidated Entity during the year was mineral exploration in Australia. Other than the foregoing, there were no significant changes in those activities during the year.

RESULT OF OPERATIONS

During the year the Consolidated Entity incurred a consolidated operating loss after tax of \$2,820,406 (2019 – loss \$3,296,418).

DIVIDENDS

No dividends have been paid during the financial year and no dividend is recommended for the current year.

NATIVE TITLE

Claims of native title over certain of the Consolidated Entity's tenements have been made, and may in the future be made under the Commonwealth Native Title Act. In the event that native title is established by an indigenous community over an area that is subject to the Consolidated Entity's mining tenements, the nature of the native title may be such that consent to mining may be required from that community but is withheld.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Consolidated Entity during the financial year not otherwise dealt with in this report.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the financial year, the Directors are not aware of matter or circumstance not otherwise dealt with in this report or the Financial Statements, that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent years, the financial effects of which have not been provided for in the 30 September 2020 financial statements:

Settlement of Richmond Proceedings

On 29 October 2020 the Company executed a Deed of Settlement and Release that resolved Mr Richmond's claims against the Company and Sandfire Resources Limited (Sandfire) primarily alleging that the Company and Sandfire engaged in certain conduct in relation to Red Bore prior to May 2012, by providing a release of those claims, and a discontinuance of his proceedings in the Federal Court of Australia. The Deed of Settlement also terminates all existing agreements between the Company and Mr Richmond. Under the Deed of Settlement, Sandfire will acquire Mr Richmond's 10% interest in Red Bore. Mr Richmond will retain a 1.25% net smelter royalty over minerals produced by the Sandfire/Ora joint venture from Red Bore.

New Red Bore Joint Venture

On 29 October 2020 the Company executed a new Red Bore Joint Venture with Sandfire. Under the Joint Venture Agreement, Sandfire will acquire a 75% interest in Red Bore from the Company's existing 90% interest, with the Company retaining a 15% interest. Sandfire will be the manager of the new Sandfire/Ora joint venture. The Company's retained 15% interest in Red Bore will be free carried until a decision to mine.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Details of important developments in the operations of the Consolidated Entity are set out in the review of operations section of this report. The Consolidated Entity will continue to explore its Australian tenement areas of interest for minerals, and any significant information or data will be released in the market and to shareholders.

ENVIRONMENTAL ISSUES AND REGULATIONS

The Consolidated Entity has interests in mining tenements (including prospecting, exploration and mining leases). The leases and licence conditions contain environmental obligations. The Consolidated Entity has assessed whether there

DIRECTORS' REPORT

are any particular or significant environmental regulations which apply. It has determined that the risk of non-compliance is low, and has not identified any compliance breaches during the year. The directors are not aware of any environmental matters which would have a significant adverse effect on the Consolidated Entity.

CORPORATE INFORMATION

| | |
|--------------------------|------------------------------|
| Ora Gold Limited | Parent entity |
| Element 92 Pty Ltd | 100% owned controlled entity |
| Red Dragon Mines Pty Ltd | 100% owned controlled entity |
| Zeus Mining Pty Ltd | 100% owned controlled entity |

INFORMATION ON DIRECTORS

| RICK W CRABB | Non-Executive Chairman, B. JURIS (Hons), LLB, MBA, FAICD |
|--|--|
| <i>Skills and Experience</i> | Mr Crabb holds degrees of Bachelor of Jurisprudence (Honours), Bachelor of Laws and Master of Business Administration from the University of Western Australia. He practiced as a solicitor from 1980 to 2004 specialising in mining, corporate and commercial law. He has advised on all legal aspects including financing, marketing, government agreements and construction contracts for many resource development projects in Australia and Africa. Mr Crabb now focuses on his public company directorships and investments. Mr Crabb was a Councillor on the Western Australian Division of the Australian Institute of Company Directors from 2008 to 2017. Mr Crabb was appointed a director on 20 November 2017 and Chairman on 28 February 2019. |
| <i>Other current Directorships</i> | Eagle Mountain Mining Limited (since 2017). |
| <i>Former Directorships in last three years</i> | Paladin Resources Ltd from 1994 to 2019. Golden Rim Resources Ltd from 2001 to 2017. |
| <i>Special Responsibilities</i> | Member of Nomination Committee from November 2017. Member of Audit Committee from November 2017. Member of Remuneration Committee from November 2017. |
| <i>Interest in Shares and Options at the date of this report</i> | 5,699,678 Ordinary shares. |

| FRANK DEMARTE | Executive Director, BBus (Acct), FGIA, FCG, FAICD |
|--|---|
| <i>Skills and Experience</i> | Mr DeMarte has over 37 years of experience in the mining and exploration industry in Western Australia. Mr DeMarte has held executive positions with a number of listed mining and exploration companies and is currently an Executive Director, Company Secretary and Chief Financial Officer of the Company. Mr DeMarte is experienced in areas of secretarial practice, management accounting and corporate and financial management. Mr DeMarte holds a Bachelor of Business majoring in Accounting and is a Fellow of the Chartered Governance Institute and a Fellow of the Australian Institute of Company Directors. Mr DeMarte was appointed a director on 30 April 2001. |
| <i>Other current Directorships</i> | None. |
| <i>Former Directorships in last three years</i> | Magnetite Mines Limited from 2004 to 2020. |
| <i>Special Responsibilities</i> | Member of Nomination Committee from December 2004. Member of Remuneration Committee from April 2013. Chief Financial Officer and Company Secretary. |
| <i>Interest in Shares and Options at the date of this report</i> | 8,233,169 Ordinary shares. 1,500,000 Unquoted options expiring 26 February 2021 exercisable at 8 cents each. 3,000,000 Unquoted options expiring 23 February 2022 exercisable at 7 cents each. 10,000,000 Unquoted options expiring 8 April 2025 exercisable at 1.8 cents each. |

DIRECTORS' REPORT

| MALCOLM R J RANDALL | Non-Executive Director, B.Applied Chem, FAICD |
|--|---|
| <i>Skills and Experience</i> | Mr Randall holds a Bachelor of Applied Chemistry Degree and is a Fellow of the Australian Institute of Company Directors. He has extensive experience in corporate, management and marketing in the resource sector, including more than 25 years with the Rio Tinto group of companies. His experience extends over a broad range of commodities including iron ore, diamonds, base metals, coal, uranium, and industrial minerals both in Australia and internationally. Mr Randall was appointed a director on 8 September 2003. |
| <i>Other current Directorships</i> | Magnetite Mines Limited (since 2006). Hastings Technology Metals Ltd (since 2019). Argosy Minerals Limited (since 2017). |
| <i>Former Directorships in last three years</i> | Summit Resources Limited from 2007 to 2018. Spitfire Oil Ltd from 2007 to 2020. Kalium Lakes Limited (since 2016). |
| <i>Special Responsibilities</i> | Chairman of Audit Committee from April 2013. Chairman of Nomination Committee from December 2004. Chairman of Remuneration Committee from April 2013. |
| <i>Interest in Shares and Options at the date of this report</i> | 4,142,857 Fully paid ordinary shares. 750,000 Unquoted options expiring 26 February 2021 exercisable at 8 cents each. 2,000,000 Unquoted options expiring 23 February 2022 exercisable at 7 cents each. |

| PHILIP G CRABB | Non-Executive Director, FAusIMM, MAICD |
|--|--|
| <i>Skills and Experience</i> | Mr Crabb is a Fellow of the Australasian Institute of Mining and Metallurgy and a member of the Institute of Company Directors. Mr Crabb has been actively engaged in mineral exploration and mining activities for the past 50 years in both publicly listed and private exploration companies. He has considerable experience in field activities, having been a drilling contractor, quarry manager and mining contractor. Mr Crabb has extensive knowledge of the Australian Mining Industry and has experience with management of Australian publicly listed companies. Mr Crabb was re-appointed a director on 7 March 2012. |
| <i>Other current Directorships</i> | None. |
| <i>Former Directorships in last three years</i> | Aldershot Resources Limited from 2010 to 2018. |
| <i>Special Responsibilities</i> | Member of Nomination Committee from March 2012. Member of Audit Committee from March 2012. |
| <i>Interest in Shares and Options at the date of this report</i> | 80,577,537 Fully paid ordinary shares. 750,000 Unquoted options expiring 26 February 2021 exercisable at 8 cents each. 3,000,000 Unquoted options expiring 23 February 2022 exercisable at 7 cents each. 20,000,000 Unquoted options expiring 8 April 2025 exercisable at 1.8 cents each. |

DIRECTORS' REPORT

| PHILIP F BRUCE | Non-Executive Director, BE(MINING), MAICD, FAusIMM |
|--|---|
| <i>Skills and Experience</i> | Mr Bruce holds a Bachelor of Engineering (Mining) (Honours) from the University of New South Wales. He has a successful track record in the global minerals industry in exploration, evaluation, development, acquisitions, operations and senior corporate management. He is a mining engineer with extensive experience in Australia and overseas and has been instrumental in the growth of small and large resource companies including Plutonic Resources in its growth from \$30 million to over \$1 billion market capitalisation. He is also a Fellow of the Australasian Institute of Mining and Metallurgy and a member of the Institute of Company Directors. Mr Bruce was appointed a Director on 1 March 2019. |
| <i>Other current Directorships</i> | Latrobe Magnesium Limited (since 2019) |
| <i>Former Directorships in last three years</i> | Bassari Resources Limited from 2013 to 2019. Pure Alumina Limited (previously Hill End Gold Limited) from 2001 to 2017. |
| <i>Special Responsibilities</i> | None. |
| <i>Interest in Shares and Options at the date of this report</i> | 1,635,946 Ordinary shares. 10,000,000 Unquoted options expiring 8 April 2023 exercisable at 1.5 cents each. |

COMPANY SECRETARY

FRANK DEMARTE *BBus (Acct), FGIA, FCG, FAICD*

The Company Secretary is Mr Frank DeMarte. Mr DeMarte has over 37 years of experience in the mining and exploration industry in Western Australia and has held executive positions with a number of listed mining and exploration companies.

Mr DeMarte is experienced in areas of secretarial practice, management accounting and corporate and financial management. Mr DeMarte holds a Bachelor of Business majoring in Accounting and is a Fellow of the Chartered Governance Institute and a Fellow of the Australian Institute of Company Directors. Mr DeMarte was appointed to the position on 8 September 2003.

SHARES UNDER OPTION

As at the date of this report, there were:

- 57,900,000 unissued ordinary shares of the Company under option as follows:

| Date options issued | Expiry date | Exercise price of options | Number of options |
|----------------------------|--------------------|----------------------------------|--------------------------|
| 26 February 2016 | 26 February 2021 | \$0.08 | 3,000,000 |
| 24 February 2017 | 23 February 2022 | \$0.07 | 8,000,000 |
| 9 April 2020 | 8 April 2025 | \$0.018 | 30,000,000 |
| 15 July 2020 | 16 July 2023 | \$0.025 | 5,000,000 |
| 19 August 2020 | 18 August 2023 | \$0.02 | 1,900,000 |
| 9 April 2020 | 8 April 2023 | \$0.015 | 10,000,000 |

During the financial year:

- 4,350,000 employee options exercisable at 6 cents each expired on 14 November 2019; and
- 2,500,000 employee options exercisable at 4 cents each expired on 18 December 2020.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any other entity.

CORPORATE GOVERNANCE STATEMENT

A copy of the Ora Gold Limited Corporate Governance Statement is available on the Company's website at <http://www.ora.gold/corporate-governance>.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

This Remuneration Report details the nature and amount of remuneration for each of the directors and other senior management personnel of the Company.

(a) Details of Key Management Personnel

The following persons were key management personnel of Ora Gold Limited during the financial year:

| | | | |
|---------------------|------------------------|----------------|------------------------|
| Rick W Crabb | Non-Executive Chairman | Philip G Crabb | Non-Executive Director |
| Frank DeMarte | Executive Director | Philip F Bruce | Non-Executive Director |
| Malcolm R J Randall | Non-Executive Director | | |

(b) Compensation of Key Management Personnel

(i) Compensation Policy

The Company's remuneration policy for executive directors is designed to promote superior performance and long term commitment to the Company. Executives receive a base remuneration, which is market related. Overall, the remuneration policy is subject to the discretion of the Board and can be altered to reflect the competitive market and business conditions, where it is in the best interest of the Company and the shareholders to do so.

The Board's reward policy reflects its obligations to align executives' remuneration with shareholders' interests and to retain appropriately qualified executive talent for the benefit of the Group. The main principles of the policy are:

- Reward reflects the competitive market in which the Group operates;
- Individual reward should be linked to performance criteria; and
- Executives should be rewarded for both financial and non-financial performance.

Directors' and executives' remuneration is reviewed by the board of directors, having regard to various goals set. This remuneration and other terms of employment are commensurate with those offered within the exploration and mining industry.

Non-executive directors' remuneration is in the form of directors' fees and are approved by shareholders as to the maximum aggregate remuneration. The Board recommends the actual payment to non-executive directors. The Board's reward policy for non-executive directors reflects its obligation to align remuneration with shareholders' interests and to retain appropriately qualified talent for the benefit of the Group.

Remuneration packages are set at levels that are intended to attract and retain directors and executives capable of managing the Group's operations.

(A) Remuneration Committee

The Remuneration Committee is responsible for determining and reviewing compensation arrangements for the directors and all other key management personnel.

The Remuneration Committee assesses the appropriateness of the nature and amount of compensation of key management personnel on an annual basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

(B) Remuneration Structure

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

(C) Non-Executive Director Compensation

Objective

The Board seeks to set aggregate compensation 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.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate compensation of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed.

The amount of aggregate compensation sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually.

DIRECTORS' REPORT

REMUNERATION Report (Audited) (continued)

(b) Compensation of Key Management Personnel (continued)

The Board considers advice from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each director receives a fee for being a director of the Company. An additional fee may also be paid for each Board committee on which a director sits. The payment of additional fees for serving on a committee recognises the additional time commitments required by directors who serve on one or more sub committees.

Non-executive directors have long been encouraged by the Board to hold shares in the Company (purchased by the director on market). It is considered good governance for directors to have a stake in the Company on whose board they sit. The compensation of non-executive directors for the year ended 30 September 2020 is detailed as per the disclosures on page 37.

(D) Executive Compensation

Objective

The entity aims to reward executives with a level and mix of compensation commensurate with their position and responsibilities within the entity so as to:

- reward executives for company, business unit and individual performance against targets set by remuneration committee to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link rewards with the strategic goals and performance of the Company; and
- ensure total compensation is competitive by market standards.

Structure

In determining the level and make-up of executive remuneration, the remuneration committee will review individual performance, relevant comparative compensation in the market and internally and, where appropriate, external advice on policies and practices.

(E) Fixed Compensation

Objective

Fixed compensation is reviewed annually by the Remuneration Committee. The process consists of a review of companywide, business unit and individual performance, relevant comparative compensation in the market and internally and, where appropriate, external advice on policies and practices.

Structure

Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

(F) Other Compensation

Notwithstanding Guideline 8.2 of the ASX Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations which provides that non-executive Directors should not receive Options, the Directors consider that the grant of the options is designed to encourage the Directors to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership.

Under the Company's current circumstances the granting of options is an incentive to each of the Directors, which is a cost effective and efficient reward for the Company, as opposed to alternative forms of incentive, such as the payment of additional cash compensation to the Directors.

During the year the Company the Remuneration Committee did not seek and consider any advice from independent remuneration consultants to determine the appropriate Key Management Personnel remuneration.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

(b) Compensation of Key Management Personnel (continued)

Details of the remuneration of each director of Ora Gold Limited and other key management personnel, including their personally related entities are set out below:

Remuneration of key management personnel for the year ended 30 September 2020

| Names | | Short-Term | | | Post Employment | Other Long Term | Share Based Payment | Total \$ | % Remuneration |
|--------------------------------|-------------|-------------------------|-----------------------|---------------|-----------------|--------------------|---------------------|----------------|------------------------------------|
| | | Salary & Directors Fees | Annual Leave Movement | Other | Superannuation | Long Service Leave | Equity Options | | Consisting of Options for the Year |
| Executive Director | | | | | | | | | |
| Frank DeMarte | 2020 | 200,000 | 9,824 | 8,809 | 19,000 | 3,908 | 74,254 | 315,795 | 24% |
| | 2019 | 200,000 | (902) | 7,730 | 19,000 | (10,464) | - | 215,364 | - |
| Non-Executive Directors | | | | | | | | | |
| Rick W Crabb (1) | 2020 | 30,962 | - | - | 2,941 | - | 2,856 | 36,759 | 8% |
| | 2019 | 37,462 | - | - | 3,559 | - | - | 41,021 | - |
| Malcolm R J Randall (1) | 2020 | 30,962 | - | - | 2,941 | - | 2,040 | 35,943 | 6% |
| | 2019 | 37,462 | - | - | 3,559 | - | - | 41,021 | - |
| Philip G Crabb | 2020 | 29,519 | - | - | 2,804 | - | 148,508 | 180,831 | 82% |
| | 2019 | 35,192 | - | - | 3,343 | - | - | 38,535 | - |
| Philip F Bruce | 2020 | 43,077 | - | 18,700 | 4,092 | - | 58,013 | 123,882 | 47% |
| | 2019 | 28,301 | - | - | 2,689 | - | 4,102 | 35,092 | 12% |
| Executive | | | | | | | | | |
| Antony L Lofthouse (2) | 2020 | - | - | - | - | - | - | - | - |
| | 2019 | 144,231 | 30,363 | 125,000 | 25,760 | 29,552 | - | 354,906 | - |
| Totals | 2020 | 334,520 | 9,824 | 27,509 | 31,778 | 3,908 | 285,671 | 693,211 | 41% |
| | 2019 | 482,648 | 29,461 | 132,730 | 57,910 | 19,088 | 4,102 | 725,939 | 1% |

(1) The grant of a total of 12,000,000 options to Mr R Crabb (7,000,000 options) and Mr Randall (5,000,000 options) are subject to shareholder approval, however the value of the options are being expensed over the period commencing on the Board approval date in accordance with AASB2.

(2) A L Lofthouse ceased as the CEO on 30 April 2019.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

(c) Employment Agreements for Key Management Personnel

| Name | Base salary | Terms of Engagement | Notice Period |
|---------------|-------------|---------------------|---------------|
| F DeMarte (1) | \$200,000 | No fixed term | Twelve months |

- (1) Base salary of \$200,000 effective 1 July 2014, reviewed annually. Payment of a benefit on early termination by the Company, other than gross misconduct, equal to 12 months base salary including superannuation, subject to the termination benefit provisions in Pt 2D.2 – Division 2 of the Corporations Act 2001.

(d) Shareholdings of Key Management Personnel (Consolidated and Parent Entity)

The number of shares held in Ora Gold Limited during the financial year.

| 30 September 2020 | Balance 1 October 2019 | Granted as Remuneration | On Exercise of Options | Net Change Other | Balance 30 September 2020 |
|-------------------|---------------------------|----------------------------|---------------------------|---------------------|------------------------------|
| R W Crabb | 4,985,392 | - | - | 714,286 | 5,699,678 |
| P G Crabb | 78,361,395 | - | - | 2,216,142 | 80,577,537 |
| F DeMarte | 7,161,740 | - | - | 1,071,429 | 8,233,169 |
| M R J Randall | 2,000,000 | - | - | 2,142,857 | 4,142,857 |
| P F Bruce | 1,064,517 | - | - | 571,429 | 1,635,946 |
| Total | 93,573,044 | - | - | 6,716,143 | 100,289,187 |

| 30 September 2019 | Balance 1 October 2018 | Granted as Remuneration | On Exercise of Options | Net Change Other | Balance 30 September 2019 |
|-------------------|---------------------------|----------------------------|---------------------------|---------------------|------------------------------|
| R W Crabb | 3,485,392 | - | - | 1,500,000 | 4,985,392 |
| P G Crabb | 76,627,697 | - | - | 1,733,698 | 78,361,395 |
| F DeMarte | 6,911,740 | - | - | 250,000 | 7,161,740 |
| M R J Randall | 1,960,000 | - | - | 40,000 | 2,000,000 |
| P F Bruce (1) | - | - | - | 1,064,517 | 1,064,517 |
| A L Lofthouse (2) | 5,740,000 | - | - | (5,740,000) | - |
| Total | 94,724,829 | - | - | (1,151,785) | 93,573,044 |

- (1) P F Bruce was appointed a director 1 March 2019.
(2) A L Lofthouse ceased as the CEO on 30 April 2019. The balance of 5,740,000 represents Mr Lofthouse's shareholding on cessation of employment.

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Company would have adopted if dealing at arm's length.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

(e) Share Based Compensation Options

During the financial year 40,000,000 options were granted as equity compensation benefits to key management personnel. No options have been granted since the end of the year to key management personnel. For further details relating to options, refer to note 19.

Compensation Options: Granted and vested during the year ended 30 September 2020.

| 30 September 2020 | | Terms and Conditions for each Grant | | | | | | |
|--------------------------|---------------|-------------------------------------|------------|--|--|-------------|---------------------|--------------------|
| Key Management Personnel | Number Vested | Number Granted | Grant Date | Fair Value per option at Grant Date (\$) (Note 19) | Exercise Price per option (\$) (Note 19) | Expiry Date | First Exercise Date | Last Exercise Date |
| R W Crabb | - | - | - | - | - | - | - | - |
| F DeMarte | 10,000,000 | 10,000,000 | 9/04/20 | \$0.0074 | \$0.018 | 8/04/25 | 9/04/20 | 8/04/25 |
| M R J Randall | - | - | - | - | - | - | - | - |
| P F Bruce | 7,500,000 | 10,000,000 | 9/04/20 | \$0.0071 | \$0.015 | 8/04/23 | 9/04/20 | 8/04/23 |
| P G Crabb | 20,000,000 | 20,000,000 | 9/04/20 | \$0.0074 | \$0.018 | 8/04/25 | 9/04/20 | 8/04/25 |
| Total | 37,500,000 | 40,000,000 | | | | | | |

Compensation Options: Granted and vested during the year ended 30 September 2019.

| 30 September 2019 | | Terms and Conditions for each Grant | | | | | | |
|--------------------------|---------------|-------------------------------------|------------|--|--|-------------|---------------------|--------------------|
| Key Management Personnel | Number Vested | Number Granted | Grant Date | Fair Value per option at Grant Date (\$) (Note 19) | Exercise Price per option (\$) (Note 19) | Expiry Date | First Exercise Date | Last Exercise Date |
| R W Crabb | - | - | - | - | - | - | - | - |
| F DeMarte | - | - | - | - | - | - | - | - |
| M R J Randall | - | - | - | - | - | - | - | - |
| P F Bruce (1) | - | - | - | - | - | - | - | - |
| P G Crabb | - | - | - | - | - | - | - | - |
| A L Lofthouse (2) | - | - | - | - | - | - | - | - |
| Total | - | - | | | | | | |

(1) P F Bruce was appointed a director 1 March 2019.

(2) A L Lofthouse ceased as the CEO on 30 April 2019.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

(f) Shares Issued on exercise of compensation options

No shares were issued to key management personnel on exercise of compensation options for the year ended 30 September 2020. No key management personnel exercised compensation options during the year ended 30 September 2019.

(g) Options granted as part of remuneration

The following table summarises the value of options granted, exercised or lapsed for the year ended 30 September 2020.

| 30 September 2020 | Value of options granted during the year | Value of options exercised during the year | Value of options lapsed during the year | % Remuneration Consisting of Options for the year |
|-------------------|--|--|---|---|
| F DeMarte | 74,254 | - | - | 24% |
| P G Crabb | 148,508 | - | - | 82% |
| M R J Randall (1) | 2,040 | - | - | 6% |
| R W Crabb (2) | 2,856 | - | - | 8% |
| P F Bruce | 58,013 | - | - | 47% |
| Total | 285,671 | - | - | 41% |

(1) & (2) The grant of a total of 12,000,000 options to Mr R Crabb (7,000,000 options) and Mr Randall (5,000,000 options) is subject to shareholder approval, however the estimated value of the options (\$146,890) is being expensed over the vesting period commencing on the Board approval date in accordance with AASB2. The exact value of the options will be adjusted at the issue date after the Annual General Meeting.

Director options vest on date of issue. For details on the valuation of the options, including models and assumptions used, please refer to Note 19. There were no alterations to the terms and conditions of options granted as remuneration since their grant date.

The following table summarises the value of options granted, exercised or lapsed for the year ended 30 September 2019.

| 30 September 2019 | Value of options granted during the year | Value of options exercised during the year | Value of options lapsed during the year | % Remuneration Consisting of Options for the year |
|-------------------|--|--|---|---|
| P G Crabb | - | - | - | - |
| F DeMarte | - | - | 76,538 | - |
| M R J Randall | - | - | 22,962 | - |
| R W Crabb | - | - | - | - |
| P F Bruce (1) | 21,094 | 4,102 | - | 12% |
| A L Lofthouse (2) | - | - | 76,538 | - |
| Total | 21,094 | 4,102 | 176,038 | 12% |

(1) P F Bruce was appointed a director 1 March 2019. The grant of options to Mr Bruce is subject to shareholder approval, however the estimated value of the options are being expensed over the vesting period commencing on his appointment date in accordance with AASB2.

(2) A L Lofthouse ceased as the CEO on 30 April 2019.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

(h) Clawback Policy

The Company's Employee Option Incentive Plan includes provisions that if the Board becomes aware of a material misstatement in the Company's financial statements or some other event has occurred which, as a result, means that the vesting conditions in respect of certain vested options were not, or should not have been determined to have been, satisfied, then the holder will cease to be entitled to those vested options (**Affected Options**) and the Board may take various actions, including: cancelling the relevant Affected Options for no consideration; requiring that the holder pay to the Company the after tax value of the Affected Options which have been converted into Shares or adjusting fixed remuneration, incentives or participation in the option incentive plan of a relevant holder in the current year or any future year to take account of the after tax value of the Affected Options.

(i) Equity instruments

Analysis of options and rights over equity instruments granted as compensation. Details of vesting profiles of the options granted as remuneration to each key management personnel of the group are detailed below:

| | Number of options granted | Grant / Issue Date of options | Exercise Price of options \$ | Fair Value of Options on Grant Date \$ | Financial year in which Options Expire |
|-------------------------|---------------------------|-------------------------------|------------------------------|--|--|
| Executive Director | | | | | |
| F DeMarte | 10,000,000 | 9/04/20 | \$0.018 | \$0.0074 | 2025 |
| | 3,000,000 | 24/02/17 | \$0.07 | \$0.0246 | 2022 |
| | 1,500,000 | 26/02/16 | \$0.08 | \$0.237 | 2021 |
| Non-Executive Directors | | | | | |
| R W Crabb | - | - | - | - | - |
| P G Crabb | 20,000,000 | 9/04/20 | \$0.018 | \$0.0074 | 2025 |
| | 3,000,000 | 24/02/17 | \$0.07 | \$0.0246 | 2022 |
| | 750,000 | 26/02/16 | \$0.08 | \$0.237 | 2021 |
| M R J Randall | 2,000,000 | 24/02/17 | \$0.07 | \$0.0246 | 2022 |
| | 750,000 | 26/02/16 | \$0.08 | \$0.237 | 2021 |
| P F Bruce | 10,000,000 | 9/04/20 | \$0.015 | \$0.0071 | 2023 |

(j) Loans to key management personnel

There were no loans made to key management personnel during the year ended 30 September 2020.

(k) Other transactions with key management personnel and their related parties

During the year the Company and Ioma Pty Ltd as trustee for the Gemini Trust (Ioma)(an entity associated with director Mr PG Crabb) entered into a Deed of Amendment and Restatement to amend the Loan Facility Agreement to increase the facility limit from \$2,000,000 to \$4,000,000, subject to the Company granting Ioma security over the Group's assets on the same terms and conditions, except for the Maturity Date which has been extended to 17 May 2023. At 30 September 2020, \$2,689,507 has been drawn down by the Company and accrued interest payable totalled \$70,616.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

(I) Option holdings of Key Management Personnel (Consolidated and Parent Entity)

The number of options over ordinary shares held in Ora Gold Limited during the financial year.

| 30 September 2020 | Balance at beginning of period 1 October 2019 | Granted as Remuneration | Options Exercised | Options Expired | Net Change Other | Balance at end of period 30 September 2020 | Vested at 30 September 2020 | | |
|-------------------|--|-------------------------|-------------------|-----------------|------------------|--|-----------------------------|-------------------|------------------|
| | | | | | | | Total | Exercisable | Not Exercisable |
| F DeMarte | 4,500,000 | 10,000,000 | - | - | - | 14,500,000 | 14,500,000 | 14,500,000 | - |
| M R J Randall (1) | 2,750,000 | - | - | - | - | 2,750,000 | 2,750,000 | 2,750,000 | - |
| P G Crabb | 3,750,000 | 20,000,000 | - | - | - | 23,750,000 | 23,750,000 | 23,750,000 | - |
| R W Crabb (1) | - | - | - | - | - | - | - | - | - |
| P F Bruce | - | 10,000,000 | - | - | - | 10,000,000 | 7,500,000 | 7,500,000 | 2,500,000 |
| Total | 11,000,000 | 40,000,000 | - | - | - | 51,000,000 | 48,500,000 | 48,500,000 | 2,500,000 |

(1) During the reporting period, the Board approved the grant of a total of 12,000,000 options to Mr R Crabb (7,000,000 options) and Mr Randall (5,000,000 options) subject to shareholder approval, however the value of the options are being expensed over the period commencing on the Board approval date in accordance with AASB2.

| 30 September 2019 | Balance at beginning of period 1 October 2018 | Granted as Remuneration | Options Exercised | Options Expired | Net Change Other | Balance at end of period 30 September 2019 | Vested at 30 September 2019 | | |
|-------------------|--|-------------------------|-------------------|---------------------|------------------|--|-----------------------------|-------------------|-----------------|
| | | | | | | | Total | Exercisable | Not Exercisable |
| F DeMarte | 10,428,274 | - | - | (5,928,274) | - | 4,500,000 | 4,500,000 | 4,500,000 | - |
| M R J Randall | 4,530,000 | - | - | (1,780,000) | - | 2,750,000 | 2,750,000 | 2,750,000 | - |
| P G Crabb | 13,750,000 | - | - | (10,000,000) | - | 3,750,000 | 3,750,000 | 3,750,000 | - |
| R W Crabb | 497,915 | - | - | (497,915) | - | - | - | - | - |
| P F Bruce (1) | - | - | - | - | - | - | - | - | - |
| A L Lofthouse (2) | 10,320,000 | - | - | (5,820,000) | - | 4,500,000 | 4,500,000 | 4,500,000 | - |
| Total | 39,526,189 | - | - | (24,026,189) | - | 15,500,000 | 15,500,000 | 15,500,000 | - |

(1) P F Bruce was appointed a director 1 March 2019. Pursuant to Mr Bruce's employment agreement Mr Bruce is entitled to 10,000,000 options which are subject to shareholder approval at the forthcoming Annual General Meeting and therefore the options have not yet been issued at the date of this report.

(2) AL Lofthouse ceased as the CEO on 30 April 2019 and the balance of 4,500,000 represents the options held on cessation.

DIRECTORS' REPORT

DIRECTORS' MEETINGS

The following table sets out the number of meetings of directors held during the year and the number of meetings attended by each director:

| Name | Board of Directors' Meetings | | Audit Committee Meetings | | Remuneration Committee Meetings | | Nomination Committee Meetings | |
|---------------|------------------------------|---------------------------|--------------------------|---------------------------|---------------------------------|---------------------------|-------------------------------|---------------------------|
| | Number attended | Number eligible to attend | Number attended | Number eligible to attend | Number attended | Number eligible to attend | Number attended | Number eligible to attend |
| M R J Randall | 3 | 3 | 2 | 2 | - | - | - | - |
| F DeMarte (1) | 3 | 3 | 2 | 2 | - | - | - | - |
| P G Crabb | 3 | 3 | 2 | 2 | - | - | - | - |
| R W Crabb | 3 | 3 | - | - | - | - | - | - |
| P F Bruce | 3 | 3 | - | - | - | - | - | - |

(1) F DeMarte, who is the Company Secretary and Chief Financial Officer, attends the Audit Committee meetings by invitation only.

Committee Memberships

As at the date of this report, the Company had an Audit Committee, Remuneration Committee and a Nomination Committee.

| Audit | Remuneration | Nomination |
|-------------------|-----------------|-----------------|
| M R J Randall (C) | M J Randall (C) | M J Randall (C) |
| P G Crabb | P G Crabb | F DeMarte |
| R W Crabb | R W Crabb | P G Crabb |
| | | R W Crabb |
| | | P F Bruce |

Note: (C) Designates the Chairman of the Committee.

RESIGNATION, ELECTION AND CONTINUATION IN OFFICE

In accordance with the Constitution of the Company, Malcolm Randall being eligible, will offer themselves for re-election at the Annual General Meeting.

PROCEEDINGS ON BEHALF OF THE COMPANY

William Richmond commenced proceedings on 1 June 2018 in the Federal Court of Australia against Ora Gold Limited (previously known as Thundelarra Limited) (Company) and Sandfire Resources NL (Sandfire) (Proceedings). Mr Richmond seeks unspecified damages from the Company and Sandfire. The claims primarily relate to allegations about the Company and Sandfire's conduct prior to May 2012 in relation to mining tenement M52/597.

Subsequent to the financial reporting period, the Company and Sandfire entered into a deed of settlement with Mr Richmond (Deed of Settlement). The Deed of Settlement resolves Mr Richmond's claims against the Company and Sandfire by providing a release of those claims, and a discontinuance of his proceedings in the Federal Court of Australia. The Deed of Settlement also terminates all existing agreements between the Company and Mr Richmond.

INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company paid premiums to insure the Directors and Officers of the Company against liabilities for costs and expenses that may be incurred by the Directors in defending civil or criminal proceedings that may be brought against the Directors and Officers in their capacity as officers of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

NON-AUDIT SERVICES

An amount of \$20,000 was paid or payable to Stantons International for non-audit services provided during the year ended 30 September 2020.

DIRECTORS' REPORT

AUDITOR INDEPENDENCE

The auditor's independence declaration for the year ended 30 September 2020 has been received and can be found on page 82.

Signed in accordance with a resolution of the directors.



FRANK DEMARTE
Executive Director

Perth, Western Australia

Dated in Perth this 22 December 2020

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2020

| | Note | Consolidated | |
|---|------|--------------------|--------------------|
| | | 2020 | 2019 |
| | | \$ | \$ |
| REVENUE FROM CONTINUING OPERATIONS | | | |
| Revenue | 4(a) | 4,021 | 17,349 |
| Other income | 4(b) | 122,255 | 878 |
| | | <u>126,276</u> | <u>18,227</u> |
| EXPENDITURE | | | |
| Amortisation and depreciation | | (29,579) | (49,771) |
| Employee benefits expense | 4(c) | (300,965) | (4,102) |
| Exploration expenditure written off or impaired | 4(d) | (1,337,039) | (1,507,295) |
| Administration expenses | 4(e) | (1,115,983) | (1,733,570) |
| Finance costs | 15 | (163,116) | (19,907) |
| | | <u>(2,820,406)</u> | <u>(3,296,418)</u> |
| Loss from continuing operations before income tax expense | | | |
| Income tax (expense)/benefit | 5 | - | - |
| | | <u>(2,820,406)</u> | <u>(3,296,418)</u> |
| Net loss from continuing operations for the year | | | |
| | | <u>(2,820,406)</u> | <u>(3,296,418)</u> |
| Other comprehensive income | | | |
| Item that will not be reclassified to profit or loss | | - | - |
| Item that may be reclassified subsequently to profit or loss | | - | - |
| | | <u>-</u> | <u>-</u> |
| Other comprehensive income for the year, net of tax | | | |
| | | <u>(2,820,406)</u> | <u>(3,296,418)</u> |
| Total comprehensive income/(loss) for the year | | | |
| | | <u>(2,820,406)</u> | <u>(3,296,418)</u> |
| Net Loss attributable to members of the parent entity | | | |
| | | <u>(2,820,406)</u> | <u>(3,296,418)</u> |
| Comprehensive income/(loss) attributable to members of the parent entity | | | |
| | | <u>(2,820,406)</u> | <u>(3,296,418)</u> |
| Loss per share attributable to ordinary equity holders: | | | |
| Basic loss (cents per share) | 7 | (0.41) | (0.51) |
| Diluted loss (cents per share) | 7 | (0.41) | (0.51) |

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2020

| | Note | Consolidated | |
|--------------------------------------|-------|--------------------|--------------------|
| | | 2020 | 2019 |
| | | \$ | \$ |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 6(b) | 1,735,230 | 168,236 |
| Trade and other receivables | 8 | 26,167 | 46,844 |
| Other financial assets | 9 | 150 | 17,684 |
| TOTAL CURRENT ASSETS | | 1,761,547 | 232,764 |
| NON-CURRENT ASSETS | | | |
| Other receivables | 8 | 57,183 | 174,748 |
| Property, plant and equipment | 10 | 77,948 | 107,527 |
| Exploration expenditure | 12 | - | - |
| TOTAL NON-CURRENT ASSETS | | 135,131 | 282,275 |
| TOTAL ASSETS | | 1,896,678 | 515,039 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 13 | 72,069 | 291,640 |
| Provisions | 14 | 229,984 | 187,774 |
| TOTAL CURRENT LIABILITIES | | 302,053 | 479,414 |
| NON-CURRENT LIABILITIES | | | |
| Borrowings | 15 | 2,760,123 | 1,269,907 |
| TOTAL NON-CURRENT LIABILITIES | | 2,760,123 | 1,269,907 |
| TOTAL LIABILITIES | | 3,062,176 | 1,749,321 |
| NET (LIABILITIES)/ASSETS | | (1,165,498) | (1,234,282) |
| EQUITY | | | |
| Contributed equity | 16(a) | 65,091,569 | 62,535,711 |
| Reserves | 16(d) | 8,561,807 | 8,228,475 |
| Accumulated losses | 17 | (74,818,874) | (71,998,468) |
| TOTAL EQUITY/(DEFICIENCY) | | (1,165,498) | (1,234,282) |

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2020

| CONSOLIDATED | Notes | Contributed Equity \$ | Reserves \$ | Accumulated Losses \$ | Total \$ |
|--|-------|-----------------------------|----------------|-----------------------------|-------------|
| Balance at 1 October 2018 | | 62,360,252 | 8,224,373 | (68,702,050) | 1,882,575 |
| Total comprehensive income for the year | | | | | |
| Profit/(Loss) for the year | | - | - | (3,296,418) | (3,296,418) |
| Total comprehensive income/(loss) for the year | | - | - | (3,296,418) | (3,296,418) |
| Transactions with owners recorded directly in equity: | | | | | |
| Cost of share based payments | 16(d) | - | 4,102 | - | 4,102 |
| Shares issued during the year | 16(b) | 176,000 | - | - | 176,000 |
| Shares to be issued | 16(b) | 1,751 | - | - | 1,751 |
| Transaction costs | 16(b) | (2,292) | - | - | (2,292) |
| | | 175,459 | 4,102 | - | 179,561 |
| Balance at 30 September 2019 | | 62,535,711 | 8,228,475 | (71,998,468) | (1,234,282) |

| CONSOLIDATED | Notes | Contributed Equity \$ | Reserves \$ | Accumulated Losses \$ | Total \$ |
|--|-------|-----------------------------|----------------|-----------------------------|-------------|
| Balance at 1 October 2019 | | 62,535,711 | 8,228,475 | (71,998,468) | (1,234,282) |
| Total comprehensive income for the year | | | | | |
| Profit/(Loss) for the year | | - | - | (2,820,406) | (2,820,406) |
| Total comprehensive income/(loss) for the year | | - | - | (2,820,406) | (2,820,406) |
| Transactions with owners recorded directly in equity: | | | | | |
| Cost of share based payments | 16(d) | - | 333,332 | - | 333,332 |
| Shares issued during the year | 16(b) | 2,726,000 | - | - | 2,726,000 |
| Transaction costs | 16(b) | (170,142) | - | - | (170,142) |
| | | 2,555,858 | 333,332 | - | 2,889,190 |
| Balance at 30 September 2020 | | 65,091,569 | 8,561,807 | (74,818,874) | (1,165,498) |

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

| | Note | Consolidated | |
|--|------|--------------------|--------------------|
| | | 2020 \$ | 2019 \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Payment to suppliers | | (1,124,559) | (1,564,580) |
| Interest received | | 3,444 | 24,896 |
| Other revenue | | 105,000 | - |
| Interest paid | | (112,407) | - |
| Net cash (outflow) from operating activities | 6(a) | <u>(1,128,522)</u> | <u>(1,539,684)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for investments | | (3,600) | - |
| Payments for purchase of plant and equipment | | - | (13,291) |
| Proceeds from sale of investments | | 38,089 | 108,276 |
| Proceeds from sale of plant and equipment | | - | 2,600 |
| Redemption of security deposits | | 117,565 | 71,865 |
| Exploration and evaluation expenditure | | (1,484,270) | (1,182,269) |
| Net cash outflow from investing activities | | <u>(1,332,216)</u> | <u>(1,012,819)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Net proceeds from issue of shares and options | | 2,726,000 | 1,000 |
| Proceeds from borrowings | | 1,439,507 | 1,250,000 |
| Share issue costs | | (137,775) | (2,292) |
| Net cash inflow from financing activities | | <u>4,027,732</u> | <u>1,248,708</u> |
| Net (decrease)/increase in cash and cash equivalents held | | 1,566,994 | (1,303,795) |
| Cash and cash equivalents at the beginning of the financial year | | 168,236 | 1,472,031 |
| Cash and cash equivalents at the end of the financial year | 6(b) | <u>1,735,230</u> | <u>168,236</u> |

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1. CORPORATE INFORMATION

The consolidated financial statements of Ora Gold Limited (Company) comprise the Company and its subsidiaries (together referred to as the "Group") for the year ended 30 September 2020 was authorised for issue in accordance with a resolution of the directors on 22 December 2020. Ora Gold Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange Ltd.

Separate financial statements of Ora Gold Limited as an individual entity are no longer presented as the consequence of a change on the Corporations Act 2001, however required financial information for Ora Gold Limited as an individual entity is included in note 11.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards (including Australian Accounting Standards and Interpretations).

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

Going Concern

The accounts have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and liabilities in the normal course of business.

The Group recorded a loss of \$2,820,406 for the year ended 30 September 2020. Total exploration expenditure recognised in the year is \$1,337,039. The Group had cash assets of \$1,735,230 at 30 September 2020. The directors believe the going concern basis of preparation is appropriate.

During the year the Company and Ioma Pty Ltd as trustee for the Gemini Trust (Ioma) (an entity associated with director Mr PG Crabb) entered into a Deed of Amendment and Restatement to amend the Loan Facility Agreement to increase the facility limit from \$2,000,000 to \$4,000,000, subject to the Company granting Ioma security over the Group's assets on the same terms and conditions, except for the Maturity Date which has been extended to 17 May 2023. At 30 September 2020, \$2,689,507 has been drawn down by the Company and accrued interest payable totalled \$70,616.

The Directors consider these funds, combined with additional funds from any capital raising to be sufficient for the planned expenditure on the exploration projects for the ensuing 12 months as well as for corporate and administrative overhead costs.

The Directors also believe that they have the capacity to raise additional capital should that become necessary. For these reasons, the Directors believe the going concern basis of preparation is appropriate.

(b) Statement of compliance

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 September 2020 and are outlined below under note 2(e).

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). The Consolidated financial report also complies with International Financial Reporting Standards (IFRS).

(c) Adoption of New and Revised Accounting Standards

Amendments to Accounting Standards and new Interpretations that are mandatorily effective for the current year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Adoption of New and Revised Accounting Standards (continued)

The Group has considered the implications of new and amended Accounting Standards which have become applicable for the current financial reporting period. The Group had to change its accounting policies and make adjustments as a result of adopting the following Standard - AASB 16: *Leases*.

The impact of the adoption of this Standard and the respective accounting policies is disclosed below.

Changes in Accounting Policies

This note describes the nature and effect of the adoption of AASB 16: *Leases* on the Group's financial statements and discloses the new accounting policies that have been applied from 1 October 2019, where they are different to those applied in prior periods.

As a result of the changes in Group's accounting policies, prior year financial statements were required to be restated. However, the Group has adopted AASB 16: *Leases* retrospectively with the cumulative effect of initially applying AASB 16 recognised as 1 October 2019.

Initial Application of AASB 16: *Leases*

The Group has considered the first adoption of AASB 16 - *Leases* on the Group's financial statements. However, the Group did not have any operating leases which are more than 12 months as at 1 October 2019. Therefore the Group has not made any amendments to the accounts as the first adoption of AASB 16 does not have a significant impact on the financial statements. The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB 16) that are relevant to their operations and effective for the year.

(d) Fair value of assets and liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability, The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(d) Fair value of assets and liabilities (continued)

Valuation techniques (continued)

The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- (i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- (ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

(e) Other Australian Accounting Standards and Interpretations on issue but not yet effective

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent Ora Gold Limited and all of the subsidiaries. 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 the subsidiaries is provided in Note 22.

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 comprehensive income.

(g) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimate and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

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 an external valuer using a Black-Scholes option pricing model, using the assumptions detailed in note 19.

Mineral Exploration and Evaluation

Exploration and evaluation expenditure is accumulated in respect of each identifiable area of interest. These costs may be carried forward in respect of an area that has not at balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area of interest are continuing. The ultimate recoupment of the costs carried forward is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Impairment of assets

The Group assesses each cash generating unit annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account.

Cash flows are discounted by an appropriate discount rate to determine the net present value. Management has assessed its cash generating units as being an individual mine site, which is the lowest level for which cash flows are largely independent of other assets.

(h) Deferred taxation

Judgement is required in determining whether deferred tax assets are recognised on the statement of financial position. Deferred tax assets, including those arising from un-utilised tax losses, require management to assess the likelihood that the Group will generate taxable earnings in future periods, in order to utilise recognised deferred tax assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Deferred taxation (continued)

Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

(i) Revenue recognition

The Group applies AASB 15 Revenue from Contracts with Customers, however the Group does not have any revenue from contracts with customers.

(j) Government Grants

Government Grants are recognised in the statement of profit and loss as other income when the proceeds are received.

(k) Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flow, cash and cash equivalents consist of cash and cash equivalents as detailed above, net of outstanding bank overdrafts.

(l) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components when they are recognised at fair value. The Group holds the trade receivables with the objective to collect contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and calculations of the loss allowance are provided in note 2(x).

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

(m) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences except:

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

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Income tax (continued)

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

(n) Other taxes

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

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the assets or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

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

(o) Plant and equipment

Plant and equipment is stated at cost less any accumulated depreciation and any impairment losses.

- (i) Depreciation
The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

- Leasehold improvements – over 5 years or period of lease
- Plant and equipment – over 4 to 10 years
- Motor vehicles – over 4 years
- Office equipment – over 5 to 8 years

- (ii) Impairment
The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the item value of money and the risks specific to the asset.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Plant and equipment (continued)

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is being derecognised.

(p) Exploration expenditure

(i) Exploration, development and joint venture expenditure carried forward represents an accumulation of net costs incurred in relation to separate areas of interest for which rights of tenure are current and in respect of which:

- (a) such costs are expected to be recouped through successful development and exploitation of the area, or alternatively by its sale, or
- (b) exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to the areas are continuing.

Accumulated costs in respect of areas of interest, which are abandoned, are written off in the income statement in the year in which the area is abandoned.

The net carrying value of each property is reviewed regularly and, to the extent to which this value exceeds its recoverable amount that excess is fully provided against in the financial year in which this is determined. For the years ended 30 September 2020 and 2019 the Group chose not to carry forward the value of exploration expenditure and fully provided for the carrying value of all exploration properties.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development. Prior to the reclassification, capitalised exploration and evaluation expenditure is assessed for impairment.

(q) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(r) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(s) Employee leave benefits

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Employee leave benefits (continued)

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of the employee departures, and periods of service. Where it is material expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(t) Earnings per share

- (i) Basic earnings per share ("EPS") is calculated by dividing the net profit/loss attributable to members for the reporting period, after excluding any costs of servicing equity, by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.
- (ii) Diluted EPS is calculated by dividing the basic EPS, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on net revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus issue.

(u) Contributed equity

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.

(v) Borrowing costs

Borrowing costs are recognised as an expense when incurred. Alternatively, borrowing costs can be capitalised for qualifying assets.

(w) Leases

At inception of a contract the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. leases with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows;

- fixed lease payments less any lease incentives;
 - variable lease payments that depend on index or rate, initially measured using the index or rate at the commencement date;
 - the amount expected to be payable by the lessee under residual value guarantees;
 - the exercise price of purchase options if the lessee is reasonably certain to exercise the options;
 - lease payments under extension options, if the lessee is reasonably certain to exercise the options;
- and

payments of penalties for terminating the lease, if the lease term reflects the exercise of options to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Leases (continued)

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the costs of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Lease incentives are recognised in the income statement as an integral part of the total lease expense.

(x) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Interests in joint arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a "joint venture" and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement.

The Group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

Details of the Group's interests in joint arrangements are provided in Note 23.

(z) Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transaction costs, except for those carried at 'fair value through profit or loss', in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Classification and measurement

Financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

- the contractual cash flow characteristics of the financial assets; and
- the Group's business model for managing the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet with the following conditions (and are not designated as FVPL);

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) Financial Instruments (continued)

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under *AASB 132 Financial Instruments: Presentation* and are not held for trading.

Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

Impairment

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition

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

Derecognition of financial liabilities

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) Financial Instruments (continued)

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

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

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

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

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

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

(aa) Share-based payment transactions

Equity settled transactions:

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). There is currently one plan in place the Employee Share Option, which provides benefits to all employees, excluding directors.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes option pricing model, further details of which are given in note 19.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Ora Gold Limited (market conditions) if applicable. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or 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 (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of the period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(aa) Share-based payment transactions (continued)

Equity settled transactions:

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see note 7).

(ab) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

(ac) Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicated that the carrying value may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

3. SEGMENT INFORMATION

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

| | | Consolidated | |
|-----------|--|--------------------|--------------------|
| | | 2020 | 2019 |
| | | \$ | \$ |
| 4. | REVENUE AND EXPENSES | | |
| (a) | Revenue | | |
| | Interest income from non-related parties | 4,021 | 17,349 |
| (b) | Other Revenue | | |
| | Government Grants (Cashflow Boosts and Payroll Tax Grant) | 105,000 | - |
| | Net gain on disposal of fixed assets (4(f)) | - | 878 |
| | Net gain on disposal of investments (4(g)) | 17,255 | - |
| | | <u>122,255</u> | <u>878</u> |
| | Total Revenues from continuing operations | <u>126,276</u> | <u>18,227</u> |
| (c) | Employee Benefits Expenses | | |
| | Share based payments expense | (300,965) | (4,102) |
| | | <u>(300,965)</u> | <u>(4,102)</u> |
| | The share based payments expense relates to the requirement to recognise the cost of granting options to Directors and employees under AIFRS over the option vesting period. | | |
| (d) | Exploration Expenditure Written Off | | |
| | Exploration expenditure written-off or impaired | (1,337,039) | (1,507,295) |
| | | <u>(1,337,039)</u> | <u>(1,507,295)</u> |
| (e) | Administration Expenses | | |
| | Administrative costs | (3,895) | (5,823) |
| | Office and miscellaneous | (252,871) | (224,254) |
| | Professional fees | (160,207) | (409,395) |
| | Regulatory fees | (63,993) | (63,333) |
| | Shareholder and investor relations | (27,580) | (28,953) |
| | Employee expenses | (602,283) | (800,270) |
| | Decrease in market value of investments | (300) | (14,811) |
| | Loss on sale of securities | - | (168,060) |
| | Other operating expenses | (4,854) | (18,671) |
| | | <u>(1,115,983)</u> | <u>(1,733,570)</u> |
| (f) | Net Gain on Disposal of Fixed Assets | | |
| | Proceeds from disposal of office equipment | - | 2,600 |
| | Carrying amounts of fixed assets sold | - | (1,722) |
| | Net gain on disposal | <u>-</u> | <u>878</u> |
| (g) | Net Gain on Disposal of Investments | | |
| | Proceeds from disposal of investments | 38,089 | - |
| | Cost of investments sold | (20,834) | - |
| | Net gain on disposal | <u>17,255</u> | <u>-</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

| | Consolidated | |
|--|--------------|-------------|
| | 2020 \$ | 2019 \$ |
| 5. INCOME TAX | | |
| (a) Numerical reconciliation of income tax expense to prima facie tax payable | | |
| Profit/(Loss) from ordinary activities before income tax expense | (2,820,406) | (3,296,418) |
| Prima facie tax benefit on loss from ordinary activities at 30% (2019 – 30%) | (846,122) | (988,925) |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | | |
| Entertainment and other | 506 | 1,519 |
| Fines | 106 | 136 |
| Share based payments | 90,083 | 1,231 |
| | (755,427) | (986,039) |
| Movement in current year temporary differences | (143,650) | (175,310) |
| Tax effect of current year tax losses & non-recognition of previously recognised deferred tax assets | 899,077 | 1,161,349 |
| Income tax expense/(benefit) | - | - |
| (b) Unrecognised temporary differences Deferred Tax Assets (30%) (2019 – 30%) | | |
| Impairment and depreciation of assets in joint venture | - | 1,013 |
| Prepayments | 484 | - |
| Capitalised tenement acquisition costs | 98,261 | 97,611 |
| Investments | 29,955 | 124,089 |
| Capital raising, formation and legal costs | 92,186 | 77,651 |
| Provisions for expenses | 97,610 | 68,604 |
| Carry forward revenue losses | 17,049,697 | 16,239,573 |
| Carry forward capital losses | 311,776 | 222,729 |
| | 17,679,969 | 16,831,270 |
| Deferred Tax Liabilities (30%) (2019 – 30%) | | |
| Depreciation | (23,384) | - |
| Unearned revenue | (173) | (218) |
| | (23,557) | (218) |
| Net Deferred Tax Asset (Liability) | 17,656,412 | 16,831,052 |

The potential future tax benefit arising from accumulated tax losses in the Group have not been recognized in 2020 as an asset because recovery of the tax losses is not probable.

The potential future income tax benefit will be obtainable by the Group only if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit of the deductions for the loss to be realised;
- the Group continues to comply with the conditions for deductibility imposed by income tax law; and
- no changes in income tax legislation adversely affects the Group in realising the benefit of the deduction for the loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

| | Consolidated | |
|--|--------------------|--------------------|
| | 2020 | 2019 |
| | \$ | \$ |
| 6. CASH FLOW INFORMATION | | |
| (a) Reconciliation of net cash used in by operating activities to operating profit/(loss) after income tax | | |
| Operating profit/(loss) after income tax | (2,820,406) | (3,296,418) |
| <i>Non cash flows in operating loss</i> | | |
| Exploration costs written-off or provided | 1,337,039 | 1,507,295 |
| Amortisation and depreciation | 29,579 | 49,771 |
| Share based payments | 300,965 | 4,102 |
| Net Increase/ (decrease) in fair value of investments | 300 | 14,811 |
| (Profit)/Loss on sale of investments | (17,255) | 168,060 |
| Interest expense (unpaid) | 50,709 | 19,907 |
| <i>Change in assets and liabilities</i> | | |
| (Profit)/loss on sale of non-current assets | - | (878) |
| (Decrease)/increase in trade creditors and accruals | (72,338) | 65,406 |
| (Increase)/decrease in receivables | 20,675 | (27,737) |
| Decrease/(Increase) in provisions | 42,210 | (44,003) |
| Net cash outflow from operating activities | <u>(1,128,522)</u> | <u>(1,539,684)</u> |
| (b) Cash and cash equivalents represents: | | |
| Cash in bank and on hand | 735,127 | 168,236 |
| Deposits at call | 1,000,103 | - |
| | <u>1,735,230</u> | <u>168,236</u> |
| <i>Non cash flows from investing and financing activities</i> | | |
| Shares issued to acquire tenements | - | 176,000 |
| Options issued to broker | 32,367 | - |
| 7. EARNINGS PER SHARE | | |
| (a) Basic earnings/(loss) per share (cents per share) | (0.41) | (0.51) |
| (b) Diluted earnings/(loss) per share (cents per share) | <u>(0.41)</u> | <u>(0.51)</u> |
| 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. | | |
| (c) Net profit/(loss) attributable to ordinary shareholders | <u>(2,820,406)</u> | <u>(3,296,418)</u> |
| (d) Weighted average number of ordinary shares outstanding during the year used in the calculation: | | |
| - basic earnings per share | 695,150,428 | 644,589,034 |
| - diluted earnings per share | <u>695,150,428</u> | <u>644,589,034</u> |
| 8. TRADE AND OTHER RECEIVABLES (CURRENT) | | |
| Other receivables | 25,590 | 46,844 |
| Accrued income | 577 | - |
| | <u>26,167</u> | <u>46,844</u> |
| The were no amounts receivable from directors and director related entities in 2020 and 2019. | | |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

| Consolidated | |
|--------------|------|
| 2020 | 2019 |
| \$ | \$ |

8. TRADE AND OTHER RECEIVABLES (NON CURRENT)

| | | |
|-------------------------|--------|---------|
| Security deposits/bonds | 57,183 | 174,748 |
|-------------------------|--------|---------|

The Group believes that all outstanding receivables can be recovered when due and there are no past receivables due as at the balance sheet date.

9. OTHER FINANCIAL ASSETS (CURRENT)

| | | |
|--|-----|--------|
| Listed shares held for trading at fair value | 150 | 17,684 |
|--|-----|--------|

At as at the 16 December 2020, the total market value of the quoted investments based on closing prices at that date was \$1,688.

10. PROPERTY, PLANT AND EQUIPMENT

| | | |
|--------------------------------|-----------|-----------|
| Plant and equipment, at cost | 202,321 | 202,321 |
| Less: accumulated depreciation | (161,555) | (141,983) |
| Less: impairment loss | - | - |
| | 40,766 | 60,338 |

| | | |
|--------------------------------|-----------|-----------|
| Motor vehicles, at cost | 178,625 | 178,625 |
| Less: accumulated depreciation | (174,188) | (172,328) |
| Less: impairment loss | - | - |
| | 4,437 | 6,297 |

| | | |
|--------------------------------|----------|----------|
| Office equipment, at cost | 108,448 | 108,448 |
| Less: accumulated depreciation | (91,335) | (84,460) |
| Less: impairment loss | - | - |
| | 17,113 | 23,988 |

| | | |
|-----------------------------------|----------|----------|
| Plant and equipment (NT), at cost | 34,560 | 34,560 |
| Less: accumulated depreciation | (18,928) | (17,656) |
| Less: impairment loss | - | - |
| | 15,632 | 16,904 |

| | | |
|-------------------------------------|--------|---------|
| Total property, plant and equipment | 77,948 | 107,527 |
|-------------------------------------|--------|---------|

Reconciliations

Reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

| | | |
|--------------------------------------|----------|----------|
| Plant and equipment | | |
| Carrying amount at 1 October 2019 | 60,338 | 82,608 |
| Additions | - | 9,748 |
| Disposal | - | - |
| Depreciation | (19,572) | (32,018) |
| Carrying amount at 30 September 2020 | 40,766 | 60,338 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

| | Consolidated | |
|--|---------------------------|---------------------------|
| | 2020 | 2019 |
| | \$ | \$ |
| 10. PROPERTY, PLANT AND EQUIPMENT (continued) | | |
| Reconciliations (continued) | | |
| Motor vehicles | | |
| Carrying amount at 1 October 2019 | 6,297 | 10,059 |
| Disposals | - | - |
| Depreciation | (1,860) | (3,762) |
| Carrying amount at 30 September 2020 | <u>4,437</u> | <u>6,297</u> |
| Office equipment | | |
| Carrying amount at 1 October 2019 | 23,988 | 33,608 |
| Additions | - | 3,545 |
| Depreciation | (6,875) | (13,165) |
| Carrying amount at 30 September 2020 | <u>17,113</u> | <u>23,988</u> |
| Plant and equipment (NT) | | |
| Carrying amount at 1 October 2019 | 16,904 | 18,272 |
| Additions | - | - |
| Depreciation | (1,272) | (1,368) |
| Carrying amount at 30 September 2020 | <u>15,632</u> | <u>16,904</u> |
| Total carrying amount at 30 September 2020 | <u><u>77,948</u></u> | <u><u>107,527</u></u> |
| 11. PARENT ENTITY DISCLOSURES | | |
| STATEMENT OF FINANCIAL POSITION | | |
| ASSETS | | |
| CURRENT ASSETS | 1,696,780 | 190,211 |
| NON-CURRENT ASSETS | 135,131 | 164,710 |
| TOTAL ASSETS | <u>1,831,911</u> | <u>354,921</u> |
| LIABILITIES | | |
| CURRENT LIABILITIES | (286,312) | (316,440) |
| NON-CURRENT LIABILITIES | (2,760,123) | (1,269,907) |
| TOTAL LIABILITIES | <u>(3,046,435)</u> | <u>(1,586,347)</u> |
| NET (LIABILITIES)/ASSETS | <u><u>(1,214,524)</u></u> | <u><u>(1,231,426)</u></u> |
| EQUITY | | |
| Contributed equity | 65,091,569 | 62,535,711 |
| Reserves | 8,561,807 | 8,228,475 |
| Accumulated losses | (74,867,900) | (71,995,612) |
| TOTAL EQUITY/(DEFICIENCY) | <u><u>(1,214,524)</u></u> | <u><u>(1,231,426)</u></u> |
| PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME | | |
| Net profit/ (loss) from continuing operations for the year | <u>(2,872,288)</u> | <u>(3,043,739)</u> |
| Total Comprehensive income/(loss) for the year | <u><u>(2,872,288)</u></u> | <u><u>(3,043,739)</u></u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

| Consolidated | |
|--------------|------|
| 2020 | 2019 |
| \$ | \$ |

11. PARENT ENTITY DISCLOSURES (continued)

OTHER FINANCIAL ASSETS (NON-CURRENT)

Investment in Subsidiary

| | | |
|--|-------------|-------------|
| Element 92 Pty Ltd | 3,661,200 | 3,661,200 |
| Provision for write down of investment | (3,661,200) | (3,661,200) |

| | | |
|--|---|---|
| | - | - |
|--|---|---|

Investment in Subsidiary

| | | |
|--|-------------|-------------|
| Red Dragon Mines Pty Ltd | 1,380,392 | 1,380,392 |
| Provision for write down of investment | (1,380,392) | (1,380,392) |

| | | |
|--|---|---|
| | - | - |
|--|---|---|

12. EXPLORATION EXPENDITURE (NON-CURRENT)

Exploration and evaluation

| | | |
|---|-------------|-------------|
| At 1 October 2019 | - | - |
| Expenditure incurred during the year | 1,337,039 | 1,507,295 |
| Expenditure provided or written off during the year (note 4(d)) | (1,337,039) | (1,507,295) |
| At 30 September 2020 | - | - |

For those areas of interest which are still in the exploration phase, the ultimate recoupment of the stated costs is dependent upon the successful development and commercial exploitation, or alternatively sale of the respective areas of interest.

Some of the Consolidated entity's exploration properties are subject to claim(s) under native title. As a result, exploration properties or areas within the tenements may be subject to exploration and/or mining restrictions.

| Consolidated | |
|--------------|------|
| 2020 | 2019 |
| \$ | \$ |

13. TRADE AND OTHER PAYABLES (CURRENT)

| | | |
|-----------------------------|--------|---------|
| Trade payables and accruals | 72,069 | 291,640 |
|-----------------------------|--------|---------|

Trade payables are non-interest bearing and are normally settled on 30-60 day terms

14. PROVISIONS (CURRENT)

| | | |
|---------------------------------|---------|---------|
| Employee entitlements | 229,984 | 187,774 |
| Number of employees at year end | 8 | 8 |

Superannuation

The Company contributes to employees' superannuation plans in accordance with the requirements of Occupational Superannuation Legislation. Contributions by the Company represent a defined percentage of each employee's salary. Additional employee contributions are voluntary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

| Consolidated | |
|--------------|------|
| 2020 | 2019 |
| \$ | \$ |

Employee Share Option Plan

Details of the Employee Share Option Plan for the Company are disclosed in Note 19.

15. BORROWINGS (NON-CURRENT)

| | | |
|----------------------|-----------|-----------|
| Borrowings - secured | 2,760,123 | 1,269,907 |
|----------------------|-----------|-----------|

During the year the Company and Ioma Pty Ltd as trustee for the Gemini Trust (Ioma)(an entity associated with director Mr PG Crabb) entered into a Deed of Amendment and Restatement to amend the Loan Facility Agreement to increase the facility limit from \$2,000,000 to \$4,000,000, subject to the Company granting Ioma security over the Group's assets on the same terms and conditions, except for the Maturity Date which has been extended to 17 May 2023 and interest calculated a 7% per annum is to be paid annually.

Approval to grant security over the Group's assets and convert the loan to a secured Facility was obtained at the Annual General Meeting held by the Company on 9 April 2020. At 30 September 2020, \$2,689,507 has been drawn down by the Company and \$163,116 in interest was accrued during the year and \$112,407 In interest was paid during the year.

| Consolidated | |
|--------------|------|
| 2020 | 2019 |
| \$ | \$ |

| | | |
|----------------------------------|-----------|-----------|
| Balance at beginning of year | 1,269,907 | - |
| Drawdowns during the year | 1,439,507 | 1,250,000 |
| Interest accrued during the year | 163,116 | 19,907 |
| Repayments | (112,407) | - |
| Balance at end of year | 2,760,123 | 1,269,907 |

16. CONTRIBUTED EQUITY AND RESERVES

| Number of Shares | | Consolidated | |
|------------------|------|--------------|------|
| 2020 | 2019 | 2020 | 2019 |
| | | \$ | \$ |

(a) Issued and paid up capital

| | | | | |
|-----------------|-------------|-------------|------------|------------|
| Ordinary shares | 840,845,222 | 646,095,883 | 65,091,569 | 62,535,711 |
|-----------------|-------------|-------------|------------|------------|

(b) Movement in ordinary shares on issue

| | Number of Shares | Issue Price \$ | Total \$ |
|-------------------------------------|--------------------|----------------|-------------------|
| 1/10/18 Opening balance | 635,095,883 | | 62,360,252 |
| 20/11/18 Acquisition of tenements | 11,000,000 | 0.016 | 176,000 |
| Share issue costs | - | | (2,292) |
| Shares to be issued (1) | 35,023 | | 1,751 |
| Balance at 30 September 2019 | 646,130,906 | | 62,535,711 |
| 3/06/20 Placement | 71,428,571 | 0.014 | 1,000,000 |
| 17/07/20 Share Purchase Plan | 123,285,745 | 0.014 | 1,726,000 |
| Share issue costs | - | | (170,142) |
| Balance at 30 September 2020 | 840,845,222 | | 65,091,569 |

(1) 35,023 ordinary shares were to be issued pursuant to the exercise of quoted options at \$0.05 each which expired on 30 September 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

16. CONTRIBUTED EQUITY AND RESERVES (continued)

(c) Movement in options on issue

The following table summarises the movement in options on issue for the year ended 30 September 2020

| 30 September 2020 | Balance at the Beginning of the Year | Issued During the Year | Exercised During the Year | Expired During the Year | Balance at the End of the Year |
|--|--------------------------------------|------------------------|---------------------------|-------------------------|--------------------------------|
| Unquoted options exercisable at 8 cents each on or before 26 February 2021 | 3,000,000 | - | - | - | 3,000,000 |
| Unquoted options exercisable at 6 cents each on or before 14 November 2019 | 4,350,000 | - | - | (4,350,000) | - |
| Unquoted options exercisable at 7 cents each on or before 23 February 2022 | 8,000,000 | - | - | - | 8,000,000 |
| Unquoted options exercisable at 4 cents each on or before 18 December 2020 | 2,500,000 | - | - | - | 2,500,000 |
| Unquoted options exercisable at 1.5 cents each on or before 8 April 2023 | - | 10,000,000 | - | - | 10,000,000 |
| Unquoted options exercisable at 1.8 cents each on or before 8 April 2025 | - | 30,000,000 | - | - | 30,000,000 |
| Unquoted options exercisable at 2.5 cents each on or before 16 July 2023 | - | 5,000,000 | - | - | 5,000,000 |
| Unquoted options exercisable at 2 cents each on or before 18 August 2023 | - | 1,900,000 | - | - | 1,900,000 |
| Total | 17,850,000 | 46,900,000 | - | (4,350,000) | 60,400,000 |

The following table summarises the movement in options on issue for the year ended 30 September 2019

| 30 September 2019 | Balance at the Beginning of the Year | Issued During the Year | Exercised During the Year | Expired During the Year | Balance at the End of the Year |
|--|--------------------------------------|------------------------|---------------------------|-------------------------|--------------------------------|
| Unquoted options exercisable at 6 cents each on or before 28 February 2019 | 11,500,000 | - | - | (11,500,000) | - |
| Unquoted options exercisable at 8 cents each on or before 26 February 2021 | 3,000,000 | - | - | - | 3,000,000 |
| Unquoted options exercisable at 6 cents each on or before 14 November 2019 | 4,350,000 | - | - | - | 4,350,000 |
| Unquoted options exercisable at 7 cents each on or before 23 February 2022 | 8,000,000 | - | - | - | 8,000,000 |
| Unquoted options exercisable at 4 cents each on or before 18 December 2020 | 2,500,000 | - | - | - | 2,500,000 |
| Quoted options exercisable at 5 cents each on or before 30 September 2019 | 109,297,721 | - | (35,023) | (109,262,698) | - |
| Total | 138,647,721 | - | (35,023) | (120,762,698) | 17,850,000 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

16. CONTRIBUTED EQUITY AND RESERVES (continued)

| Consolidated | |
|--------------|------|
| 2020 | 2019 |
| \$ | \$ |

(d) Reserves

Share based payments reserve

| | | |
|--|------------------|------------------|
| Balance at beginning of year | 8,228,475 | 8,224,373 |
| Share based payments expense | 300,965 | 4,102 |
| Options issued to Broker (capital raising costs) | 32,367 | - |
| Balance at end of year | <u>8,561,807</u> | <u>8,228,475</u> |

Nature and purpose of reserves

Share based payments reserve

The share based payments reserve is used to recognise the fair value of options issued.

17. ACCUMULATED LOSSES

| Consolidated | |
|--------------|------|
| 2020 | 2019 |
| \$ | \$ |

| | | |
|---|---------------------|---------------------|
| Balance at the beginning of the year | (71,998,468) | (68,702,050) |
| Net profit/(loss) attributable to members of Ora Gold Limited | (2,820,406) | (3,296,418) |
| Balance at the end of the financial year | <u>(74,818,874)</u> | <u>(71,998,468)</u> |

18. COMMITMENTS AND CONTINGENCIES

| | | |
|---|------------------|----------------|
| (i) Exploration commitments | | |
| Within one year | 347,574 | 321,692 |
| Later than one year but not later than five years | 537,759 | 369,594 |
| Later than five years | 158,124 | 179,210 |
| | <u>1,043,457</u> | <u>870,496</u> |

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various State Governments. These obligations are subject to renegotiation when application for a mining lease is made and at other times. These obligations are not provided for in the financial report.

If the Group decides to relinquish certain tenements and / or does not meet these obligations, assets recognised in the Consolidated Statement of Financial Position may require review to determine the appropriateness of the carrying values. The sole transfer or farm out of exploration rights to third parties will reduce or extinguish these obligations.

| | | |
|---|----------------|----------------|
| (ii) Operating lease commitments | | |
| Operating lease commitments are as follows: | | |
| Office rental | | |
| Within one year | 127,852 | 138,259 |
| Later than one year but not later than five years | - | - |
| Later than five years | - | - |
| | <u>127,852</u> | <u>138,259</u> |

The Group has entered into a commercial property lease on its corporate office premises. The non-cancellable lease expired 1 June 2020. Due to the COVID-19 pandemic, the commercial property lease has been extended on a 12 month basis until a new lease has been negotiated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

18. COMMITMENTS AND CONTINGENCIES (continued)

(iii) Bank Guarantees
At 30 September 2020 the Group has outstanding \$44,683 (2019: \$44,683) as a current guarantee provided by the bank for corporate office lease.

(iv) Native Title
At the date of this report, there are no claims lodged in relation to tenements held by the Group.

(v) Richmond Proceeding
William Richmond commenced proceedings on 1 June 2018 in the Federal Court of Australia against Ora Gold Limited (previously known as Thundelarra Limited) (Company) and Sandfire Resources NL (Sandfire) (Proceedings). Mr Richmond seeks unspecified damages from the Company and Sandfire. The claims primarily relate to allegations about the Company and Sandfire's conduct prior to May 2012 in relation to mining tenement M52/597.

Subsequent to the financial reporting period, the Company and Sandfire entered into a deed of settlement with Mr Richmond (Deed of Settlement). The Deed of Settlement resolves Mr Richmond's claims against the Company and Sandfire by providing a release of those claims, and a discontinuance of his proceedings in the Federal Court of Australia. The Deed of Settlement also terminates all existing agreements between the Company and Mr Richmond.

(vi) Red Bore Joint Venture Royalty

On 29 October 2020 the Company executed a new Red Bore Joint Venture with Sandfire. Under the Joint Venture Agreement, Sandfire will acquire a 75% interest in Red Bore from the Company's existing 90% interest, with the Company retaining a 15% interest. Sandfire will be the manager of the new Sandfire/Ora joint venture. The Company's retained 15% interest in Red Bore will be free carried until a decision to mine. Mr Richmond will retain a 1.25% net smelter royalty over minerals produced by the Sandfire/Ora joint venture from Red Bore.

19. SHARE BASED PAYMENTS

(a) Type of share based payment plan

Employee Share Option Plan

Options are granted under the Company Employee Share Option Plan (ESOP) which was approved by the shareholders on 28 February 2019. The ESOP is available to any person who is a director, or an employee (whether full-time or part-time) of the Company or of an associated body corporate of the Company ("Eligible Person"). Subject to the Rules set out in ESOP and the Listing Rules, the Company (acting through the Board) may offer options to any Eligible Person at such time and on such terms as the Board considers appropriate.

There are no voting or dividend rights attached to the options. There are no voting rights attached to the unissued ordinary shares. Voting rights will be attached to the unissued ordinary shares when the options have been exercised. The expense recognised in the income statement in relation to share based payments is disclosed in Note 4.

(b) Summary of options granted

The following table illustrates the number and weighted average prices (WAEP) of and the movements in share options issued during the year in respect of share based payments.

| | Number 2020 | WAEP 2020 \$ | Number 2019 | WAEP 2019 \$ |
|--|----------------|--------------------|----------------|--------------------|
| Outstanding at the beginning of the year | 17,850,000 | 0.07 | 29,350,000 | 0.07 |
| Granted during the year | 46,900,000 | 0.02 | - | - |
| Lapsed during the year | (6,850,000) | (0.06) | (11,500,000) | (0.06) |
| Exercised during the year | - | - | - | - |
| Outstanding at the end of the year | 57,900,000 | 0.03 | 17,850,000 | 0.07 |
| Exercisable at the end of the year | 55,400,000 | 0.03 | 17,850,000 | 0.07 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

19. SHARE BASED PAYMENTS (continued)

The outstanding balance as at 30 September 2020 is represented by:

| Date options issued | Expiry date | Exercise price of options | Number of options |
|---------------------|------------------|---------------------------|-------------------|
| 26 February 2016 | 26 February 2021 | \$0.080 | 3,000,000 |
| 24 February 2017 | 23 February 2022 | \$0.070 | 8,000,000 |
| 19 December 2017 | 18 December 2020 | \$0.040 | 2,500,000 |
| 9 April 2020 | 8 April 2023 | \$0.015 | 10,000,000 |
| 9 April 2020 | 8 April 2025 | \$0.018 | 30,000,000 |
| 15 July 2020 | 16 July 2023 | \$0.025 | 5,000,000 |
| 19 August 2020 | 18 August 2023 | \$0.020 | 1,900,000 |

Please refer to Shares Under Option table in the Directors Report for movements since year end.

(a) Weighted average remaining contractual life

The weighted average remaining contractual life for the share options outstanding as at 30 September 2020 is 3.2 years (2019 – 1.51 years).

(b) Range of exercise price

The range of exercise prices for options outstanding at the end of the year was \$0.015 to \$0.08 (2019 – \$0.04 to \$0.08).

(c) Weighted average fair value

The weighted average fair value of options granted during the year was 0.01 (2019 - Nil)

(d) Options pricing model

The fair value of the equity-settled share options granted under the plan is estimated as at the date of grant using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used for the year ended 30 September 2020.

| | | | | | |
|---|--------------------------------|------------|------------|------------|----------------|
| Number of Options | 10,000,000 | 30,000,000 | 5,000,000 | 1,900,000 | 12,000,000 (1) |
| Option exercise price | \$0.015 | \$0.018 | \$0.025 | \$0.020 | \$0.045 |
| Expiry date | 8/04/2023 | 8/04/2025 | 16/07/2023 | 18/08/2023 | 19/11/2025 |
| Expected life of the option (years) | 3 | 5 | 3 | 3 | 5 |
| Vesting period (months) | 36 | Nil | Nil | Nil | Nil |
| Dividend yield (%) | Nil | Nil | Nil | Nil | Nil |
| Expected volatility (%) | 100% | 80% | 80% | 80% | 80% |
| Risk-free interest rate (%) | 0.27% | 0.45 | 0.29 | 0.27 | 0.29 |
| Closing share price at grant date (cents) | \$0.013 | \$0.013 | \$0.016 | \$0.17 | \$0.024 |
| Vesting date | Variable based on market price | NA | NA | NA | NA |

- (1) Pursuant to a board meeting in August 2020 it was resolved to grant a total of 12,000,000 options to Mr R Crabb (7,000,000 options) and M Randall (5,000,000 options) subject to shareholder approval at the forthcoming Annual General Meeting. The options have not yet been issued at the date of this report but the value of options has been estimated and is being expensed over their expected life in accordance with AASB 2. The exact value of the options will be adjusted at the issue date after the Annual General Meeting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

19. SHARE BASED PAYMENTS (continued)

The following table lists the inputs to the model used for the year ended 30 September 2019

| | |
|---|--------------------------------|
| Number of Options (1) | 10,000,000 |
| Option exercise price | \$0.015 |
| Expiry date | 1/03/2022 |
| Expected life of the option (years) | 3 |
| Vesting period (months) | 36 |
| Dividend yield (%) | Nil |
| Expected volatility (%) | 88% |
| Risk-free interest rate (%) | 1.67% |
| Closing share price at grant date (cents) | \$0.011 |
| Vesting date | Variable based on market price |

- (1) P F Bruce was appointed a director 1 March 2019. Pursuant to Mr Bruce's employment agreement Mr Bruce is entitled to 10,000,000 options which are subject to shareholder approval at the forthcoming Annual General Meeting. The options have not yet been issued at the date of this report but the value has been estimated and are being expensed over their vesting period in accordance with AASB 2.

20. REMUNERATION OF AUDITORS

The auditor of Ora Gold Limited is Stantons International for:

- An audit or review of the financial report of the consolidated entity
- Other non-audit related services

| Consolidated | |
|---------------|---------------|
| 2020 | 2019 |
| \$ | \$ |
| 48,727 | 34,583 |
| 20,000 | - |
| <u>68,727</u> | <u>34,583</u> |

21. RELATED PARTY DISCLOSURES

(a) Directors

The aggregate compensation paid to directors and other KMP of the Group and recognised as an expense during the reporting period is set out below:

| | Consolidated | |
|------------------------------|----------------|----------------|
| | 2020 | 2019 |
| | \$ | \$ |
| Short-term employee benefits | 371,853 | 644,839 |
| Post-employee benefits | 31,778 | 57,910 |
| Other long-term benefits | 3,908 | 19,088 |
| Share based payments | 285,671 | 4,102 |
| | <u>693,211</u> | <u>725,939</u> |

(b) Loans with key management personnel and their related entities

There were no loans to key management personnel and their related entities during the year and the prior year.

(c) Loans from key management personnel and their related entities

During the year the Company and Ioma Pty Ltd as trustee for the Gemini Trust (Ioma) (an entity associated with director Mr PG Crabb) entered into a Deed of Amendment and Restatement to amend the Loan Facility Agreement to increase the facility limit from \$2,000,000 to \$4,000,000, subject to the Company granting Ioma security over the Group's assets on the same terms and conditions, except for the Maturity Date which has been extended to 17 May 2023 and interest calculated at a 7% per annum is to be paid annually.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

21. RELATED PARTY DISCLOSURES (continued)

Approval to grant security over the Group's assets and convert the loan to a secured Facility was obtained at the Annual General Meeting held by the Company on 9 April 2020. At 30 September 2020, \$2,689,507 has been drawn down by the Company and \$163,116 in interest was accrued during the year and \$112,407 in interest was paid during the year. The total interest payable at 30 September 2020 was \$70,616.

(d) Subsidiaries

The Group consists of the Parent and its wholly owned controlled entities set out in Notes 11 and 22. Transactions between the Parent and its wholly owned controlled entities during the year ended 30 September 2020 consists of loans advanced by the Parent totalling \$1,217,631 (2019: \$1,295,920). The loans outstanding at 30 September 2020 total \$26,443,775 (2019: \$25,344,144).

The loans provided are unsecured, interest free and have no fixed term of repayment. An amount of \$118,000 was repaid during the year.

22. CONTROLLED ENTITIES

| Name | Country of Incorporation | Percentage Interest Held | | Carrying amount of Parent Entity's Investment | |
|--------------------------|--------------------------|--------------------------|--------|---|---------|
| | | 2020 % | 2019 % | 2020 \$ | 2019 \$ |
| Element 92 Pty Ltd | Australia | 100 | 100 | - | - |
| Red Dragon Mines Pty Ltd | Australia | 100 | 100 | - | - |
| Zeus Mining Pty Ltd | Australia | 100 | 100 | - | - |

23. INTEREST IN JOINT VENTURES

The Company has interests in several joint ventures as follows:

The Consolidated Entity also has a number of other interests in joint ventures to explore for uranium and other minerals. The Consolidated Entity's share of expenditure in respect of these exploration and evaluation activities is either expensed or capitalised depending on the stage of development and no revenue is generated. At 30 September 2020 all capitalised costs were written off.

The Consolidated Entity's share of capitalised expenditure in respect to these joint venture activities is as follows:

| Joint Venture | Principal Activities | Percentage Interest 2020 | Percentage Interest 2019 | Expenditure Capitalised 2020 \$ | Expenditure Capitalised 2019 \$ |
|-----------------|----------------------|--------------------------|--------------------------|---------------------------------|---------------------------------|
| Breakaway JV | Base metals | 20% | 20% | - | - |
| Red Bore JV (1) | Base metals | 90% | 90% | - | - |
| Keller Creek JV | Base metals | 20% | 20% | - | - |

Note 1: On 29 October 2020 the Company executed a new Red Bore Joint Venture with Sandfire. Under the Joint Venture Agreement, Sandfire will acquire a 75% interest in Red Bore from the Company's existing 90% interest for no consideration, with the Company retaining a 15% interest. Sandfire will be the manager of the new Sandfire/Ora joint venture. The Company's retained 15% interest in Red Bore will be free carried until a decision to mine.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

24. FINANCIAL INSTRUMENTS

- (a) The Group's principal financial instruments comprise of cash, short term deposits and other financial assets. The Group has various other financial assets and liabilities such as trade receivables and trade payables. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken, except for other financial assets which have been sold for working capital purposes. The main risks arising from the Group's financial instruments are cash flow interest rate risk, liquidity risk, equity risk and credit risk.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the Financial Statements.

| Consolidated | Floating Interest Rate | | Fixed Interest Rate – less than 1 year | | Fixed Interest Rate – more than 1 year | | Non-interest bearing | | Total | |
|------------------------------------|------------------------|------------|--|------------|--|-------------|----------------------|------------|-------------|-------------|
| | 2020 \$ | 2019 \$ | 2020 \$ | 2019 \$ | 2020 \$ | 2019 \$ | 2020 \$ | 2019 \$ | 2020 \$ | 2019 \$ |
| Financial Assets | | | | | | | | | | |
| Cash and cash equivalents | 1,735,230 | 168,236 | - | - | - | - | - | - | 1,735,230 | 168,236 |
| Trade and other receivables | - | - | 57,183 | 174,748 | - | - | 26,167 | 46,844 | 83,350 | 221,592 |
| Other financial assets | - | - | - | - | - | - | 150 | 17,684 | 150 | 17,684 |
| Total Financial Assets | 1,735,230 | 168,236 | 57,183 | 174,748 | - | - | 26,317 | 64,528 | 1,818,730 | 407,512 |
| Financial Liabilities | | | | | | | | | | |
| Trade and other payables | - | - | - | - | - | - | (72,069) | (291,640) | (72,069) | (291,640) |
| Borrowings | - | - | - | - | (2,760,123) | (1,269,907) | - | - | (2,760,123) | (1,269,907) |
| Total Financial Liabilities | - | - | - | - | (2,760,123) | (1,269,907) | (72,069) | (291,640) | (2,832,192) | (1,561,547) |
| Net Financial Assets/(Liabilities) | 1,735,230 | 168,236 | 57,183 | 174,748 | (2,760,123) | (1,269,907) | (45,752) | (227,112) | (1,013,462) | (1,154,035) |
| Weighted Average Interest Rate | - | - | - | - | 7% | 7% | | | | |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

24. FINANCIAL INSTRUMENTS (continued)

| Reconciliation of net financial assets/ (liabilities) to net assets | Consolidated | |
|---|--------------|-------------|
| | 2020 \$ | 2019 \$ |
| Net Financial Assets/(Liabilities) as above | (1,013,462) | (1,154,035) |
| Property, plant and equipment | 77,948 | 107,527 |
| Exploration & evaluation expenditure | - | - |
| Borrowings | - | - |
| Provisions | (229,984) | (187,774) |
| Net Assets/(Liabilities) per Consolidated Statement of Financial Position | (1,165,498) | (1,234,282) |

The net fair value of all financial assets and liabilities at balance date approximate to their carrying value. The main risk the Group is exposed is through financial instruments credit risk, commodity risk and market risk consisting of interest rate risk and equity price risk.

(a) **Interest Rate Risk**

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities, is disclosed above.

The Group is exposed to movements in market interest rates on short term deposits. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return.

(b) **Credit Risk**

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. Risk is also minimised by investing surplus funds with financial institutions that maintain a high credit rating.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk.

The Group believes that all outstanding receivables are recoverable and there are no past due receivables as at balance date.

(c) **Net Fair Value of Financial Assets and Liabilities**

The net fair value of the financial assets and financial liabilities approximates their carrying value, except for the fair value of equity investments traded on organised markets which have been valued by reference to the market prices prevailing at balance date for those equity investments.

(d) **Liquidity Risk**

The Group manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance requirements to finance the Group's current and future operations.

The Group believes that all outstanding payables can be paid when due and there are no past due payables as at the balance date.

(e) **Commodity Price Risk**

At the 30 September 2020, the Group does not have any financial instruments subject to commodity price risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

25. SENSITIVITY ANALYSIS

(a) Fair Value Risk

The Group has exposure to the movement in fair values of its held for trading financial assets.

Based on fair values at 30 September 2020, a 10% change in fair values will have the following impact on loss before tax and equity before tax.

| | Consolidated | |
|--|--------------|------------|
| | 2020 \$ | 2019 \$ |
| Loss before tax: | | |
| Financial assets at fair value through profit and loss | 15 | 1,768 |
| Equity: | | |
| Financial assets at fair value through profit and loss | 15 | 1,768 |

(b) Interest Rate Risk

The following table represents a summary of the interest rate sensitivity of the Group's financial assets and liabilities at the balance sheet date on the deficit for the year and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

| Consolidated 30 September 2020 | Carrying Amount \$ | Interest Rate Risk -1% | | Interest Rate Risk + 1% | |
|--------------------------------------|-----------------------|---------------------------|--------------|----------------------------|--------------|
| | | Net loss \$ | Equity \$ | Net loss \$ | Equity \$ |
| Financial Assets | | | | | |
| Cash and cash equivalents | 1,735,230 | (17,352) | (17,352) | 17,352 | 17,352 |
| Other receivables - interest bearing | 57,183 | (572) | (572) | 572 | 572 |
| Financial Liabilities | | | | | |
| Borrowings (1) | (2,760,123) | - | - | - | - |
| Totals | 1,792,413 | (17,924) | (17,924) | 17,924 | 17,924 |

| Consolidated 30 September 2019 | Carrying Amount \$ | Interest Rate Risk -1% | | Interest Rate Risk + 1% | |
|--------------------------------------|-----------------------|---------------------------|--------------|----------------------------|--------------|
| | | Net loss \$ | Equity \$ | Net loss \$ | Equity \$ |
| Financial Assets | | | | | |
| Cash and cash equivalents | 168,236 | (1,682) | (1,682) | 1,682 | 1,682 |
| Other receivables - interest bearing | 174,748 | (1,747) | (1,747) | 1,747 | 1,747 |
| Financial Liabilities | | | | | |
| Borrowings (1) | (1,269,907) | - | - | - | - |
| Totals | 342,984 | (3,429) | (3,429) | 3,429 | 3,429 |

Note 1: None of the Group's financial liabilities are interest bearing except for the loan facility that accrues interest at 7% per annum (see note 15).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

26. EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the financial year, the Directors are not aware of matter or circumstance not otherwise dealt with in this report or the financial statements, that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent years with the exception of the following, the financial effects of which have not been provided for in the 30 September 2020 financial report:

Settlement of Richmond Proceedings

On 29 October 2020 the Company executed a Deed of Settlement that resolved Mr Richmond's claims against the Company and Sandfire Resources Limited (Sandfire) primarily alleging that the Company and Sandfire engaged in certain conduct in relation to Red Bore prior to May 2012, by providing a release of those claims, and a discontinuance of his proceedings in the Federal Court of Australia. The Deed of Settlement also terminates all existing agreements between the Company and Mr Richmond. Under the Deed of Settlement, Sandfire will acquire Mr Richmond's 10% interest in Red Bore. Mr Richmond will retain a 1.25% net smelter royalty over minerals produced by the Sandfire/Ora joint venture from Red Bore.

New Red Bore Joint Venture with Sandfire

On 29 October 2020 the Company executed a new Red Bore Joint Venture with Sandfire. Under the Joint Venture Agreement, Sandfire will acquire a 75% interest in Red Bore from the Company's existing 90% interest, with the Company retaining a 15% interest. Sandfire will be the manager of the new Sandfire/Ora joint venture. The Company's retained 15% interest in Red Bore will be free carried until a decision to mine.

27. CONTINGENT LIABILITIES

The consolidated entity is not aware of any contingent liabilities which existed as at the end of the financial year or have arisen as at the date of this report, other than as disclosed in note 18.

Red Bore Royalty

Under the new Red Bore Joint Venture Agreement, Mr Richmond will retain a 1.25% net smelter royalty over minerals produced by the Sandfire/Ora joint venture from Red Bore.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Ora Gold Limited I state that:

In the opinion of the directors:

- (a) the financial statements and notes and the additional disclosures included in the Directors' report designated as audited, of the Consolidated Entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 September 2020 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) the financial report also complies with International Financial Reporting Standards as described in note 2(b).

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 for the financial year ended 30 September 2020.

On behalf of the Board



FRANK DEMARTE
Executive Director

Perth, Western Australia

Dated in Perth this 22 December 2020

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ORA GOLD LTD**

Report on the Financial Report

We have audited the accompanying financial report of Ora Gold Ltd, the Company and its subsidiaries, ("the Group"), which comprises the consolidated statement of financial position as at 30 September 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion:

- (a) the financial report of Ora Gold Ltd is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 September 2020 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- (b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in Note 2(b).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

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

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| Key Audit Matters | How the matter was addressed in the audit |
|-------------------|---|
|-------------------|---|

Borrowings from related party

As disclosed in the financial report, during the prior year Ora Gold Ltd entered into a Loan Facility Agreement with loma Pty Ltd as trustee for the Gemini Trust, an entity associated with director Mr P G Crabb.

The loan facility limit was initially for \$1,000,000 and was subsequently increased during the current year to \$4,000,000.

As at 30 September 2020, the borrowing from the related party amounted to \$2,760,123, being \$2,689,507 capital and \$70,616 in accrued interest.

We have identified this as key audit matter due to the significance of this balance as well as the fact that the borrowing is from a related party.

Inter alia, our audit procedures included the following:

- i. Examined the Loan Facility Agreement between Ora Gold Ltd and loma Pty Ltd as trustee for the Gemini Trust;
- ii. Examined the Deed of Variation to the Loan Facility Agreement between Ora Gold Ltd and loma Pty Ltd as trustee for the Gemini Trust;
- iii. Examined the Deed of Amendment and Restatement between Ora Gold Ltd and loma Pty Ltd as trustee for the Gemini Trust;
- iv. Agreed instalments drawn down from the Loan Facility to the bank statements;
- v. Agreed repayment of interest to the bank statements;
- vi. Reperformed interest calculation;
- vii. Obtained a loan confirmation from loma Pty Ltd confirming the balance as at 30 September 2020; and
- viii. Ensured that proper disclosure has been included in the Annual Report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 September 2020, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report.

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

Report on the Remuneration Report

We have audited the remuneration report included in pages 33 to 40 of the directors' report for the year ended 30 September 2020. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the remuneration report of Ora Gold Ltd for the year ended 30 September 2020 complies with section 300A of the *Corporations Act 2001*.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd



Martin Michalik
Director

West Perth, Western Australia
22 December 2020

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22 December 2020

Board of Directors
Ora Gold Ltd
Level 2
47 Stirling Highway
NEDLANDS, WA 6009

Dear Directors

RE: ORA GOLD LTD

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Ora Gold Ltd.

As Audit Director for the audit of the financial statements of Ora Gold Ltd for the year ended 30 September 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD



Martin Michalik
Director

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ASX ADDITIONAL INFORMATION

The following information dated 17 December 2020 is required by the Listing Rules of the ASX Limited.

1. DISTRIBUTION AND NUMBER OF HOLDER OF EQUITY SECURITIES

The number of holders, by size of holding, in each class of security are:

| Distribution | Number of Shareholders | Number of Shares |
|---------------------------------------|------------------------|------------------|
| 1 – 1,000 | 386 | 91,461 |
| 1,001 – 5,000 | 473 | 1,384,964 |
| 5,001 – 10,000 | 354 | 2,785,035 |
| 10,001 – 100,000 | 1,093 | 46,274,195 |
| 100,001 and over | 770 | 790,309,567 |
| Totals | 3,076 | 840,845,222 |
| Holding less than a marketable parcel | 1,603 | 10,778,509 |

2. TWENTY LARGEST SHAREHOLDERS OF QUOTED SECURITIES

| Rank | Name of Shareholder | Shares Held | |
|-------------------------|---|-------------|-------|
| | | Number | % |
| 1 | Ragged Range Mining Pty Ltd & Associates | 80,577,537 | 9.58 |
| 2 | Chin Nominees Pty Ltd & Associates | 66,065,529 | 7.86 |
| 3 | Mr Siat Yoon Chin | 28,823,093 | 3.43 |
| 4 | Mr Steven Barcham | 14,750,721 | 1.75 |
| 5 | JP Morgan Nominees Australia Pty Limited | 14,719,800 | 1.75 |
| 6 | CS Third Nominees Australia Pty Limited | 14,486,000 | 1.75 |
| 7 | Custodial Services Limited <Beneficiaries Holding A/C> | 14,211,213 | 1.69 |
| 8 | Ms Woon Hee Chin | 11,270,226 | 1.34 |
| 9 | Doray Minerals Limited | 11,000,000 | 1.31 |
| 10 | Norvest Projects Pty Ltd | 10,000,000 | 1.19 |
| 11 | Madisons Pty Ltd <Brown Retirement Fund A/C> | 9,000,000 | 1.07 |
| 12 | HSBC Custody Nominees (Australia) Limited | 8,566,635 | 1.02 |
| 13 | Gillard Superannuation Pty Limited <Gillard Super Fund A/C> | 7,400,000 | 0.88 |
| 14 | Dingjo Pty Ltd | 7,200,000 | 0.86 |
| 15 | Mr Hugh Warden | 7,000,000 | 0.83 |
| 16 | Nautilus Investments Pty Ltd <The Robinson Family SF A/C> | 6,662,129 | 0.79 |
| 17 | Mr Paul Charles Keegan | 6,328,231 | 0.75 |
| 18 | Mr Jordan Matthew Bull <The JMB Investment A/C> | 6,229,457 | 0.74 |
| 19 | Mr Rick Wayne Crabb + Mrs Carol Jean Crabb <Intermax A/C> | 5,699,678 | 0.68 |
| 20 | BNP Paribus Noms Pty Ltd <DRP> | 5,286,708 | 0.63 |
| Total top 20 holders | | 335,276,957 | 39.87 |
| Total remaining holders | | 505,568,265 | 60.13 |

3. SUBSTANTIAL SHAREHOLDERS

An extract from the Company's register of substantial shareholders is set out below:

| Name of Shareholder | Number of Shares Held | % |
|--|-----------------------|------|
| Ragged Range Mining Pty Ltd & Associates | 80,577,537 | 9.58 |
| Chin Nominees Pty Ltd & Associates | 66,065,529 | 7.86 |

4. VOTING RIGHTS

The Company's share capital is of one class with the following voting rights:

- Ordinary Shares - On a show of hands every shareholder present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

ASX ADDITIONAL INFORMATION

5. STOCK EXCHANGE LISTING

Ora Gold Limited ordinary shares are listed on all member exchanges of the ASX Limited. The home exchange is in Perth.

6. RESTRICTED SECURITIES

There are no securities on issue that have been classified by the ASX Limited, Perth as restricted securities.

7. ON-MARKET BUY-BACK

The Company does not have a current on-market buy-back plan.

8. SCHEDULE OF TENEMENTS

| Project / Tenement | | Interest at Start of Quarter | Interest at End of Quarter | Acquired During the Quarter | Disposed During the Quarter | Joint Venture Partner/Farm-in Party |
|-----------------------------|----------|------------------------------|----------------------------|-----------------------------|-----------------------------|-------------------------------------|
| Western Australia | | | | | | |
| Keller Creek | E80/4834 | 20% fci | 20% fci | - | - | Panoramic (PAN) |
| Red Bore | M52/597 | 15% | 85% | - | - | Sandfire |
| Garden Gully Project | | | | | | |
| Garden Gully | E51/1661 | 100% | 100% | - | - | - |
| Garden Gully | E51/1721 | 100% | 100% | - | - | - |
| Garden Gully | E51/1737 | 100% | 100% | - | - | - |
| Garden Gully Meeka NW | P51/2760 | 100% | 100% | - | - | - |
| Garden Gully Meeka NW | P51/2761 | 100% | 100% | - | - | - |
| Garden Gully Meeka NW | P51/2762 | 100% | 100% | - | - | - |
| Garden Gully Meeka NW | P51/2763 | 100% | 100% | - | - | - |
| Garden Gully Meeka NW | P51/2764 | 100% | 100% | - | - | - |
| Garden Gully Meeka NW | P51/2765 | 100% | 100% | - | - | - |
| Garden Gully South | P51/2909 | 100% | 100% | - | - | - |
| Garden Gully South | P51/2910 | 100% | 100% | - | - | - |
| Garden Gully South | P51/2911 | 100% | 100% | - | - | - |
| Garden Gully South | P51/2912 | 100% | 100% | - | - | - |
| Garden Gully South | P51/2913 | 100% | 100% | - | - | - |
| Garden Gully South | P51/2914 | 100% | 100% | - | - | - |
| Garden Gully North | P51/2941 | 100% | 100% | - | - | - |
| Garden Gully North | P51/2948 | 100% | 100% | - | - | - |
| Crown Prince | P51/3009 | 100% | 100% | - | - | - |
| Abbotts | E51/1609 | 100% | 100% | - | - | - |
| Abbotts | E51/1708 | 100% | 100% | - | - | - |
| Abbotts | E51/1757 | 100% | 100% | - | - | - |
| Abbotts | E51/1790 | 100% | 100% | - | - | - |
| Abbotts | E51/1791 | 100% | 100% | - | - | - |
| Abbotts | M51/390 | 100% | 100% | - | - | - |
| Abbotts | M51/567 | 100% | 100% | - | - | - |
| Abbotts | P51/2958 | 100% | 100% | - | - | - |

ASX ADDITIONAL INFORMATION

| Project / Tenement | | Interest at Start of Quarter | Interest at End of Quarter | Acquired During the Quarter | Disposed During the Quarter | Joint Venture Partner/Farm-in Party |
|-----------------------------|-----------|------------------------------|----------------------------|-----------------------------|-----------------------------|-------------------------------------|
| Western Australia | | | | | | |
| Garden Gully Project | | | | | | |
| Abbotts | P51/2959 | 100% | 100% | - | - | - |
| Abbotts | P51/2960 | 100% | 100% | - | - | - |
| Abbotts | P51/2961 | 100% | 100% | - | - | - |
| Abbotts | P51/2962 | 100% | 100% | - | - | - |
| Abbotts | P51/2963 | 100% | 100% | - | - | - |
| Crown Prince | MLA51/886 | - | - | - | - | - |
| Lydia | MLA51/889 | - | - | - | - | - |

Key to Tenement Type:

- E = Exploration License
- P = Prospecting License
- M = Mining Lease

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ABN 74 950 465 654

Level 2, 47 Stirling Highway
Nedlands, Western Australia, 6009
www.oragold.com.au