

Auric Mining Limited and controlled entities

ABN 29 635 470 843

Annual Report - 30 June 2020

Auric Mining Limited and controlled entities

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30 June 2020

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General information

The financial statements cover both Auric Mining Limited as an individual entity and the consolidated entity consisting of Auric Mining Limited and the entities it controlled at the end of, or during, the period. The financial statements are presented in Australian dollars, which is Auric Mining Limited's functional and presentation currency.

Auric Mining Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Danpalo Group Pty Ltd, Suite 1, 1 Tully Road, East Perth, WA, 6004

The financial statements were authorised for issue, in accordance with a resolution of directors, on 10 September 2020. The directors do not have the power to amend and reissue the financial statements.

Auric Mining Limited and controlled entities

Directors' report

30 June 2020

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Auric Mining Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the period ended 30 June 2020.

Directors

The following persons were directors of Auric Mining Limited from inception (12 August 2019) and up to the date of this report, unless otherwise stated:

Mark A. English - Managing Director
Stephen R. Strubel - Executive Director & Company Secretary
John P. Utley - Executive Director (Technical) - Appointed 10/02/2020
Steven J. Morris - Non-Executive Chair - Appointed 04/05/2020

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$97,768.

COVID-19

The impact of the Coronavirus (COVID-19) pandemic is ongoing. While the financial impact on the Group up to 30 June 2020 has been negligible, it is not practicable to estimate the potential impact after the reporting date. The situation is dependent on measures imposed by governments at various jurisdictions in which the Group operating within. No other matter or circumstance has arisen since 30 June 2020 that has significantly affected or may significantly affect the Group's operations in future financial years.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial period.

Matters subsequent to the end of the financial period

On July 7 2020, the company entered into an agreement to acquire 100% of the Munda Gold Project (comprising M15/87) from Estrella Resources Limited and 50% of L15/0397 who's interest is is being applied for by Estrella. Consideration paid for the acquisition is variable and dependent on total combined gold mined and unmined resources. Included within the agreement was \$140,000 to reimburse Estrella to cancel the MS Royalties, as well as any stamp duty incurred by them in the termination of the MS Royalties.

On 14 August 2020, it was resolved that the AUD \$111k of convertible loan capital be converted to 27,750,000 ordinary shares at a cost of \$0.004 per share with attaching free one for two \$0.40, 31 October 2023 Options, with substantially the terms and conditions as the shares it was attached to.

During the above allotment, the company issued 500,000 additional shares on the same terms (\$0.004 per share) to other parties. All options issued are to have the same terms and conditions as previously allotted shares.

On 18 August 2020, Spargoville Minerals Pty Ltd was registered as a company through ASIC as a wholly owned subsidiary of Auric Mining Limited.

On 22 August 2020, 28,250,000 shares were issued at \$0.004 per share, with free one for two attaching Options, exercisable at \$0.40, on or before 31 October 2023.

On 27 August 2020, wholly owned subsidiary Spargoville Minerals Pty Ltd entered into an agreement with Mariner Mining Pty Ltd to acquire tenements E15/1688 and E15/1689, which includes all rights to mine and other privileges appurtenant to the tenements.

On 4 September 2020, 1,161,999 shares with free attaching options were issued at a price per share of \$0.15. The options are exercisable at \$0.40 on or before 31 October 2023.

Auric Mining Limited and controlled entities

Directors' report

30 June 2020

Auric Mining Limited entered into a capital raising engagement agreement with Conrad Capital Group Pty Ltd to issue new shares up to the value of \$2.3 million. The fee structure in place will include a 5% Placement Fee on the gross proceeds raised under the Offer; Advisory Equity which is equal to 2% of funds raised under the offer to be paid in shares at the same price as shares issued; and Advisor Options, in which Conrad will be eligible to receive options as a success fee post a successful IPO on the ASX.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Indemnity and insurance of auditor

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

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

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

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

On behalf of the directors


Stephen Strubel
Executive Director & Company Secretary


Mark English
Managing Director

10 September 2020

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF AURIC MINING LIMITED

I declare that, to the best of my knowledge and belief, during the period ended 30 June 2020 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

**William Buck Audit (Vic) Pty Ltd**

ABN 59 116 151 136

**J.C. Luckins**

Director

Dated 10th September 2020**ACCOUNTANTS & ADVISORS**Level 20, 181 William Street
Melbourne VIC 3000

Telephone: +61 3 9824 8555

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Auric Mining Limited and controlled entities
Statements of profit or loss
For the period ended 30 June 2020

	Note	Consolidated 2020 \$	Parent 2020 \$
Expenses			
Professional services		(92,017)	(90,017)
Finance costs		(220)	(220)
Administration		(5,531)	(5,531)
		<hr/>	<hr/>
Loss before income tax expense		(97,768)	(95,768)
Income tax expense		-	-
		<hr/>	<hr/>
Loss after income tax expense for the period attributable to the owners of Auric Mining Limited	6	(97,768)	(95,768)
Other comprehensive income for the period, net of tax		-	-
		<hr/>	<hr/>
Total comprehensive income for the period attributable to the owners of Auric Mining Limited		<u>(97,768)</u>	<u>(95,768)</u>

The above statements of profit or loss should be read in conjunction with the accompanying notes

Auric Mining Limited and controlled entities
Statements of financial position
As at 30 June 2020

	Note	Consolidated 2020 \$	Parent 2020 \$
Assets			
Current assets			
Cash and cash equivalents		7,440	7,440
Trade and other receivables	3	<u>2,758</u>	<u>3,757</u>
Total current assets		<u>10,198</u>	<u>11,197</u>
Non-current assets			
Investments in subsidiaries		<u>-</u>	<u>1,001</u>
Total non-current assets		<u>-</u>	<u>1,001</u>
Total assets		<u>10,198</u>	<u>12,198</u>
Liabilities			
Current liabilities			
Trade and other payables		38,436	38,436
Borrowings	4	<u>60,500</u>	<u>60,500</u>
Total current liabilities		<u>98,936</u>	<u>98,936</u>
Total liabilities		<u>98,936</u>	<u>98,936</u>
Net liabilities		<u>(88,738)</u>	<u>(86,738)</u>
Equity			
Issued capital	5	9,030	9,030
Accumulated losses	6	<u>(97,768)</u>	<u>(95,768)</u>
Total deficiency in equity		<u>(88,738)</u>	<u>(86,738)</u>

The above statements of financial position should be read in conjunction with the accompanying notes

Auric Mining Limited and controlled entities
Statements of changes in equity
For the period ended 30 June 2020

Consolidated

	Issued capital \$	Retained profits \$	Total deficiency in equity \$
Balance at 12 August 2019	-	-	-
Loss after income tax expense for the period	-	(97,768)	(97,768)
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the period	-	(97,768)	(97,768)
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs (note 5)	9,030	-	9,030
Balance at 30 June 2020	<u>9,030</u>	<u>(97,768)</u>	<u>(88,738)</u>

Parent

	Issued capital \$	Retained profits \$	Total deficiency in equity \$
Balance at 12 August 2019	-	-	-
Loss after income tax expense for the period	-	(95,768)	(95,768)
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the period	-	(95,768)	(95,768)
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs (note 5)	9,030	-	9,030
Balance at 30 June 2020	<u>9,030</u>	<u>(95,768)</u>	<u>(86,738)</u>

The above statements of changes in equity should be read in conjunction with the accompanying notes

Auric Mining Limited and controlled entities
Statements of cash flows
For the period ended 30 June 2020

	Note	Consolidated 2020 \$	Parent 2020 \$
Cash flows from operating activities			
Payments to suppliers (inclusive of GST)		(61,870)	(60,870)
Interest and other finance costs paid		<u>(220)</u>	<u>(220)</u>
Net cash used in operating activities	10	<u>(62,090)</u>	<u>(61,090)</u>
Cash flows from investing activities			
Payment for purchase of subsidiary, net of cash acquired		<u>-</u>	<u>(1,000)</u>
Net cash used in investing activities		<u>-</u>	<u>(1,000)</u>
Cash flows from financing activities			
Proceeds from issue of shares	5	9,030	9,030
Proceeds from borrowings		<u>60,500</u>	<u>60,500</u>
Net cash from financing activities		<u>69,530</u>	<u>69,530</u>
Net increase in cash and cash equivalents		7,440	7,440
Cash and cash equivalents at the beginning of the financial period		<u>-</u>	<u>-</u>
Cash and cash equivalents at the end of the financial period		<u><u>7,440</u></u>	<u><u>7,440</u></u>

The above statements of cash flows should be read in conjunction with the accompanying notes

Auric Mining Limited and controlled entities
Notes to the financial statements
30 June 2020

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below.

New or amended Accounting Standards and Interpretations adopted

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

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

Going concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Consolidated Entity made a loss after tax of \$97,768 during the period ended 30 June 2020 and had net operating cash outflows of \$62,090. During the period, the Consolidated Entity issued \$60,500 of convertible notes, and also raised \$9,030 in capital.

In considering the ability of the Consolidated Entity to continue as a going concern the Directors considered the following matters:

- Subsequent to 30 June 2020, \$287,300 has been raised in additional capital.
- Following year end an agreement has been entered into with Conrad Capital Group Pty Ltd to raise an additional \$2.3 million in capital.
- Several tenement acquisitions post year end which are expected to enable the company to generate positive cash flows from operations

The Directors will continue to monitor the ongoing funding requirements of the Consolidated Entity. As a consequence of the above, the directors believe that, notwithstanding the Consolidated Entity's operating results for the period, the Consolidated Entity will be able to continue as a going concern and therefore, these financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Consolidated Entity not continue as a going concern.

Basis of preparation

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

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's and company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

These financial statements include the results of both the parent entity and the consolidated entity in accordance with Class Order 10/654, issued by the Australian Securities and Investments Commission.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Auric Mining Limited ('company' or 'parent entity') as at 30 June 2020 and the results of all subsidiaries for the period then ended. Auric Mining Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

Note 1. Significant accounting policies (continued)

Interests in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Current and non-current classification

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

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

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

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

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

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

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

Finance costs

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

Fair value measurement

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

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

Issued capital

Ordinary shares are classified as equity.

Auric Mining Limited and controlled entities
Notes to the financial statements
30 June 2020

Note 1. Significant accounting policies (continued)

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.

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

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

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

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

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2020. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

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

Coronavirus (COVID-19) pandemic

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

Note 3. Current assets - trade and other receivables

	Consolidated 2020 \$	Parent 2020 \$
Loan to Widgie Gold Pty Ltd	-	999
Loan to Jeffreys Find Pty Ltd	-	100
BAS receivable	2,758	2,658
	<u>2,758</u>	<u>3,757</u>

Auric Mining Limited and controlled entities
Notes to the financial statements
30 June 2020

Note 4. Current liabilities - borrowings

	Consolidated 2020 \$	Parent 2020 \$
Convertible notes payable	<u>60,500</u>	<u>60,500</u>

Notes are convertible to shares and are interest free, with no option of cash repayment available.

Note 5. Equity - issued capital

	Consolidated 2020 Shares	2020 \$
Ordinary shares - fully paid	<u>9,003,000</u>	<u>9,030</u>

	Parent 2020 Shares	2020 \$
Ordinary shares - fully paid	<u>9,000,300</u>	<u>9,030</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Note 6. Equity - accumulated losses

	Consolidated 2020 \$	Parent 2020 \$
Retained profits at the beginning of the financial period	-	-
Loss after income tax expense for the period	<u>(97,768)</u>	<u>(95,768)</u>
Accumulated losses at the end of the financial period	<u>(97,768)</u>	<u>(95,768)</u>

Note 7. Equity - dividends

There were no dividends paid, recommended or declared during the current financial period.

Note 8. Related party transactions

Parent entity

Auric Mining Limited is the parent entity.

Auric Mining Limited and controlled entities
Notes to the financial statements
30 June 2020

Note 8. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated 2020	Parent 2020
	\$	\$
Payment for other expenses:		
Consulting fees paid to / accrued by key management personnel	55,000	55,000
Shares issued to directors	7,520	7,520

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated 2020	Parent 2020
	\$	\$
Current payables:		
Consulting fees payable to key management personnel	36,000	36,000

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated 2020	Parent 2020
	\$	\$
Non-current receivables:		
Convertible notes held by key management personnel	40,000	40,000

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 9. Events after the reporting period

On July 7 2020, the company entered into an agreement to acquire 100% of the Munda Gold Project (comprising M15/87) from Estrella Resources Limited and 50% of L15/0397 who's interest is is being applied for by Estrella. Consideration paid for the acquisition is variable and dependent on total combined gold mined and unmined resources. Included within the agreement was \$140,000 to reimburse Estrella to cancel the MS Royalties, as well as any stamp duty incurred by them in the termination of the MS Royalties.

On 14 August 2020, it was resolved that the AUD \$111k of convertible loan capital be converted to 27,750,000 ordinary shares at a cost of \$0.004 per share with attaching free one for two \$0.40, 31 October 2023 Options, with substantially the terms and conditions as the shares it was attached to.

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Auric Mining Limited and controlled entities
Notes to the financial statements
30 June 2020

Note 9. Events after the reporting period (continued)

On 27 August 2020, wholly owned subsidiary Spargoville Minerals Pty Ltd entered into an agreement with Mariner Mining Pty Ltd to acquire tenements E15/1688 and E15/1689, which includes all rights to mine and other privileges appurtenant to the tenements.

On 4 September 2020, 1,161,999 shares with free attaching options were issued at a price per share of \$0.15. The options are exercisable at \$0.40 on or before 31 October 2023.

Auric Mining Limited entered into a capital raising engagement agreement with Conrad Capital Group Pty Ltd to issue new shares up to the value of \$2.3 million. The fee structure in place will include a 5% Placement Fee on the gross proceeds raised under the Offer; Advisory Equity which is equal to 2% of funds raised under the offer to be paid in shares at the same price as shares issued; and Advisor Options, in which Conrad will be eligible to receive options as a success fee post a successful IPO on the ASX.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 10. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2020 \$	Parent 2020 \$
Loss after income tax expense for the period	(97,768)	(95,768)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(2,758)	(3,758)
Increase in trade and other payables	38,436	38,436
Net cash used in operating activities	<u>(62,090)</u>	<u>(61,090)</u>

Auric Mining Limited and controlled entities
Directors' declaration
30 June 2020

In the directors' opinion:

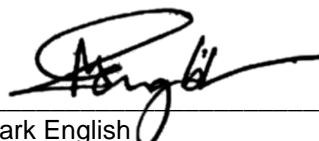
- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's and consolidated entity's financial position as at 30 June 2020 and of their performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Stephen Strubel
Executive Director & Company Secretary



Mark English
Managing Director

10 September 2020

Auric Mining Limited

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Auric Mining Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the period ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the period ended 30 June 2020 but does not include the financial report and the auditor's report thereon.

ACCOUNTANTS & ADVISORS

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our independent auditor's report.

A handwritten signature in blue ink that reads 'William Buck'.

William Buck Audit (Vic) Pty Ltd

ABN: 59 116 151 136

A handwritten signature in blue ink that reads 'J. C. Luckins'.

J. C. Luckins

Director

Dated the 10th day of September 2020