NORSEMAN GOLD PLC

(Incorporated in England and Wales under the Companies Act 1985 with registration number 05380466)
ARBN 122 088 073

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

DIRECTORS, SECRETARY AND ADVISERS

Directors:	Kevin Maloney	Executive Chairman
	David Steinepreis	Non-Executive Director
	Fred Kempson	Non-Executive Director

Company Secretary: Ben Harber

Company Registration Number: 05380466
ARBN: 122 088 073

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60 Gracechurch Street
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Group Auditors:
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The Directors present the Annual Report, together with the audited financial statements of Norseman Gold plc and its subsidiary undertakings ("the Group" or "the Company" or "Norseman") for the year ended 30 June 2020.

The Company is an unlisted public Company registered in England and Wales.

Principal activity and significant events
The Group's principal activity was a 50% interest in the Norseman Gold Project owned and previously operated by Central Norseman Gold Corporation Pty Ltd ("CNGC"). The Norseman Gold Project is located adjacent to the Norseman township, approximately 725 kilometres east of Perth, Western Australia.

Results and dividends
The Group results for the year are set out in the Financial Statements. The Directors do not propose to recommend any dividends for the reporting year ended 30 June 2020. The Group made a profit after tax of AUD$111.1 million for the year ended 30 June 2020 (2019: loss after tax of AUD$5.4 million).

The reported profit after tax of AUD$111.1 million was largely due to the waiver of accrued interest expense, by Tulla Resources Group Pty Ltd and its related entities ("Tulla Group"). This waiver of interest expense was outlined in the Circular for the AGM held on 31 December 2019. The waiver of interest totalled AUD$77.0 million, of which AUD$69.8 million was accrued at 30 June 2019. Accordingly, the adjusted net profit after tax would reduce to AUD$41.3 million after adjusting for the reversal of the opening balance prior year accrued interest expense of AUD$69.8 million.

Furthermore, this adjusted net profit after tax of AUD$41.3 million includes a profit on the sale of assets of AUD$41.83 million, primarily related to the sale of 50% of the mining tenements and associated assets as part of the Farm-In and Joint Venture Agreement (FJVA) signed with Pantoro South Pty Ltd on 14 May 2019, and completed on 9 July 2019.

Business Review

Operations
On 9 July 2019 the Pantoro Transaction (outlined in the previous Annual Report) completed whereby Pantoro Limited's wholly owned subsidiary, Pantoro South Pty Ltd (collectively "Pantoro") acquired a 50% ownership of the Norseman Gold Project through a Farm In and Joint Venture Agreement (FJVA) with CNGC, the original operating company of the Norseman Gold Project and a wholly owned subsidiary of the Company.

Under the terms of the FJVA, Pantoro is obligated to spend AUD$50.0 million on the Norseman Gold Project for the period known as the "Sole Funding Period". The Company is not liable for any financial contribution to the Norseman Gold Project during the Sole Funding Period. As a contractual term of the FJVA, for the duration of the Sole Funding Period, Pantoro has full management and operational control of the Norseman Gold Project and is responsible for ensuring that the tenements are maintained in good standing order; all environmental conditions are met and all regulatory and reporting matters are complied with.

Pantoro is required to meet with the Company on a quarterly basis to provide an update on the Norseman Gold Project. In the financial year there have been four (4) meetings held on 12 August 2019, 11 November 2019, 3 March 2020 and 22 June 2020 with Pantoro.

Pantoro has reported to the Company that during the financial year it has carried out an extensive exploration program at the Norseman Gold Project. In summary, Pantoro has implemented a two stream approach to drill out existing mining areas focusing on resource definition at Gladstone- Everlasting (open pit); Scotia (open pit); Cobbler (open pit); Princess Royal (open pit); Maybell (open pit) and OK (underground) and drilling at new exploration targets at Panda and Sailfish.

The Company has been advised that Pantoro has submitted its Annual Tenement Report and Annual Environment Report and has complied with all statutory compliance and governance obligations in relation to the Norseman Gold Project for the financial year ended 30 June 2020.

Pantoro commissioned a definitive feasibility study ("DFS") with an intention to recommence operations as soon as possible which was released to the ASX on 12 October 2020.

Under the terms of the FJVA, Pantoro paid its deferred cash consideration of AUD$5.0 million payable 12 months from the date of completion (i.e. due 9 July 2020). A further sum of AUD$10.0 million is payable 24 months from completion (i.e. 9 July 2021).

Business Review (cont.)

As at 30 September 2020, Pantoro has spent approximately AUD$27.0 million (unaudited) on the Norseman Gold Project of its AUD$50.0 million funding obligation for the Sole Funding Period.

Pantoro Limited is an ASX listed entity. Shareholders can review Pantoro's progress in relation to the Norseman Gold Project, including reviewing the DFS and updated JORC Statement via its website (www.pantoro.com.au) and on the ASX platform (ASX: PNR)

As previously reported certain assets were excluded from the FJVA; in particular the camp and houses and Industrial Minerals (subject to certain buy-in rights granted to Pantoro).

The accommodation camp is operated by Resource Accommodation Management Pty Ltd ("RAM") (a related entity of Kevin Maloney (Director) and Tulla Group). RAM provides services to Pantoro whereby RAM is reimbursed for its expenses only.

In relation to the Industrial Minerals that were excluded from the FJVA (save for certain rights for Pantoro to subsequently participate) CNGC has continued to undertake further non-invasive exploration and assaying and evaluation of potential markets. In relation to the gypsum deposits, further testing to identify grade has been carried out to seek to identify end users; ie building materials and/or agricultural markets for the product. Preliminary marketing to third parties has been undertaken. CNGC has also identified potential markets for its aggregate stockpiles/basalt and in respect to its quartz, limestone and sand deposits.

The next stage is to undertake drilling programs and further laboratory work to identify priorities and develop comprehensive business cases for these Industrial Minerals. This next stage will be subject to Board strategies in relation to the individual minerals and for the Company overall.

The Covid-19 pandemic announced by the World Health Organisation during the financial year is having a markedly negative impact on global stock markets, currencies and general business activity. The Group is not the operator of the Norseman Gold Project, however its Joint Venture partner, Pantoro South Pty Ltd, has developed a policy and is evolving procedures to address the health and wellbeing of its employees and contractors in relation to the Norseman Gold Project. The Group has also adopted its own policies and procedures to ensure the health and wellbeing of its own Directors and contractors. It is important to note that Western Australia has experienced no community transmission of Covid-19 since 11 April 2020, however policies and procedures are implemented to manage the continual risk that remains.

Corporate
Following the transaction with Pantoro and the payment of the initial consideration, CNGC repaid Tulla Group AUD$6,740,000 (in addition to the AUD$1,900,000 repaid in May 2019) and transferred 100 million Pantoro Limited common shares with a fair value of AUD$20.0 million to Tulla Group in part reduction of the Group's indebtedness to Tulla Group.

The independent directors subsequently commissioned Grant Thornton Australia to prepare an independent valuation of the Group which was finalised in October 2019. This report was provided to Tulla Group, the Group's financiers and invited Tulla Group to consider the valuation and to make proposals in relation to the Group's outstanding indebtedness. Tulla Group subsequently put forward a proposal to convert AUD$5.0 million of Indebtedness and waive all outstanding and accrued interest to shares based on the Grant Thornton valuation report and to enter into a New Financing Facility of AUD$60.0 million with first ranking Security. Those proposals were set out in detail in a Circular to all shareholders. At a General Meeting held concurrently with the AGM on 31 December 2019, the Proposals were approved by the requisite majority of shareholders.

Accordingly, following the initial debt for equity swap Tulla Group held 68,979,696,559 ordinary shares of the 69,806,253,699 issued share capital of the Group which equated to approximately 98.82% of the Group. Subsequent to this debt for equity swap, Tulla Group transferred shares to other parties, thereby reducing their holding to 64,153,307,739 ordinary shares, representing 91.9% of the shares on issue of the Company as at the date of this report.

Tulla Group continues to financially support the Company.

As part of the proposals, new Articles of Association were adopted at the General Meeting on 31 December 2019 to give effect to the debt for equity swap.

Business Review (cont.)

It is noted that the Company has not implemented the Share Option Scheme referred to at the recent General Meeting.

Legal and Governance
Under the FJVA, the Company retained all legal liabilities for the period prior to 9 July 2019.
In relation to the prosecution by the Department of Mines, Industry Regulation & Safety ("DMIRS") of CNGC with respect to the incident at the North Royal open pit in August 2015, which was heard in the Kalgoorlie Magistrate's Court in December 2019, in a decision handed down by Magistrate Hills-Wright on 20 March 2020 CNGC was acquitted of the alleged breaches of the Mines Safety & Inspection Act 1994 (WA) . DMIRS has lodged an appeal of the Magistrate's decision which was heard in the Supreme Court on 24 November 2020. Judgement was reserved.

In relation to the prosecution by the DMIRS of CNGC with respect to the fatality at the Phoenix Plant in July 2016, on 26 July 2019, the Court fined CNGC AUD$150,000 plus costs, in respect of breaches of the Mines Safety & Inspection Act 1994 (WA).. This cost was brought to account during the year ended 30 June 2019 as the incident occurred prior to 30 June 2019.

As stated above, Pantoro is liable for all reporting and governance issues in relation to the Norseman Gold Project during the Sole Funding Period. The Company has been informed that Pantoro continues to comply with its governance and reporting requirements pursuant to its contractual obligations pursuant.

Statement in Accordance with Section 172 of the Companies Act 2006
The Directors are required to make a statement which describes how they have behaved with regard to the matters set out in Section 172(1) of the Companies Act 2006, namely:

Duty to promote the success of the company
(a) the likely consequences of any decision in the long-term;
(b) the need to foster the Group's business relationships with suppliers, customers, and others;
(c) the impact of the Group's operations on the community and the environment;
(d) the desirability of the Group maintaining a reputation for high standard of business conduct;
(e) the need to act fairly between members of the Group.

Section 172 Statement
The Directors insist on high operating standards and fiscal discipline and routinely engage with management and consultants of the Group to understand the underlying issues within the Group. Additionally, the Board looks outside the Group at macro factors affecting the business. The Directors consider all known facts when developing strategic decisions and long-term plans, taking into account their likely consequences for the Group.

The Group is committed to the highest levels of integrity and transparency possible with consultants, contractors and other stakeholders. Safety initiatives, consistent training, strong benefit packages and open dialogue between all consultants and contractors are just a few of the ways the Group ensures its consultants and contractors improve skill sets and work hand-in-hand with management to improve all aspects of the Group's performance.

Other stakeholders include, joint venture partners, customers, suppliers, debt holders, industry associations, government and regulatory agencies, media, local communities and shareholders. The Board, both individually and together, consider that they have acted in the way they consider would be most likely to promote the success of the Group as a whole. In order to do this, there is a process of dialogue with stakeholders to understand the issues that they might have. The Group believes that any supplier/customer relationship must be mutually beneficial and the Group is known for its commitment to details to its customers. Communications with debt holders and shareholders occur on an ongoing basis and as questions arise.

The Directors are committed to positive involvement in the local communities where we operate. Part of this commitment is our program, where the Group supports local business in Norseman on various town festival days by donating equipment, accommodation and money. Additionally, the Group strictly follows environmental regulations at its sites and supports sustainability practices where possible.

Integrity is a key tenet for the Group's Directors and stakeholders. The Group believes that any partnership must benefit both parties. We strive to provide our stakeholders with timely and informative responses and are always striving to meet or exceed customers' needs.

Section 172 Statement (cont.)

The Board recognises its responsibilities under section 172 as outlined above and has acted at all times in a way consistent with promoting the success of the Group with regard to all stakeholders.

Subsequent events
The following events have occurred subsequently to 30 June 2020:

- The Independent Directors of the Group have been in discussions with Tulla Group in relation to the funding of the unincorporated joint venture with Pantoro that will come into existence once Pantoro has expended its initial AUD$50.0 million into the Norseman Gold Project and the Sole Funding Period comes to an end. The Group is contemplating several options, including
    - Sale of part or all of its interest in the Joint Venture to Pantoro or a third party;
    - Raising of capital (debt or equity) to meet its future Joint Venture funding obligation;
    - The FJVA provides the Group the option to progressively dilute its interest in the Joint Venture if unable to meet future funding calls to the Joint Venture;
    - Application of the second deferred payment (i.e. AUD$10.0m) to be received from Pantoro in July 2021 to the funding requirements of the Joint Venture.
- Pantoro has released its DFS in relation to the Norseman Gold Project for a Phase One restart of operations.
- As part of the DFS process, Pantoro has also released an updated JORC Statement.

Going concern
Following the completion of the Pantoro Transaction Pantoro is liable for all expenditure in relation to the Norseman Gold Project during the Sole Funding Period. Accordingly, the financing requirements of the Company have been substantially reduced, although there are ongoing liabilities being incurred in relation to the Tulla Group debt, the Excluded Assets and the retained legal liabilities.

Under the terms of the New Financing Agreement approved by shareholders at the Company General Meeting on 31 December 2019, no repayment of the Tulla Group debt is required prior to 31 July 2021 and then, on a minimum of 3 months' notice. Prior to the repayment date interest accrues but is not payable until 31 July 2021. Tulla Group has indicated that it will continue to offer financial support to the Group within the headroom of the New Facility Agreement of AUD$60.0 million, drawn to AUD$59.0 million at 30 June 2020, however drawn to AUD$58.6 million at the date of this report. This is sufficient to meet the estimated costs of the Group through to the end of the Sole Funding Period, at which time the Group will need to secure an additional source of funding.

With respect to the Norseman Gold Project, the Group will be required to contribute 50% of the expenditure of the Joint Venture upon completion of the Sole Funding Period (i.e. the expenditure of AUD$50.0 million by Pantoro). As at 30 September 2020, Pantoro had spent approximately AUD$27.0m (unaudited) on the Norseman Gold Project. Upon completion of the Sole Funding Period, the Group will have several options available to it:

- Sale of part or all of its interest in the Joint Venture to Pantoro or a third party;
- Raising of capital (debt or equity) to meet its future Joint Venture funding obligation;
- The FJVA provides the Group the option to progressively dilute its interest in the Joint Venture if unable to meet future funding calls to the Joint Venture;
- Application of the second deferred payment (i.e. AUD$10.0m) to be received from Pantoro in July 2021 to the funding requirements of the Joint Venture.

The Group is currently exploring all options available to it in order to ensure the Group is a going concern, and to maximise the value to the Group's shareholders.

The Covid-19 pandemic has had a material impact on global markets, including the gold price., with the price of gold increasing by 29% from AUD$2,011 per ounce to AUD$2,586 per ounce over the 12 months to 30 June 2020. Globally gold equities have performed well during Covid-19 and the Directors are of the opinion that the Group will be able to achieve a desirable outcome in what has been a buoyant market for gold.

Key performance indicators
During the year the Group was cash flow negative from operating activities as the mine did not produce any ounces of fine gold for the period with no active mining activities being undertaken on site.

Notwithstanding this, as a result of the completion of the sale of 50% of the interest in the Norseman Gold Project, the Group did generate surplus cash flow from investing activities, and this was primarily used to repay debt owing to Tulla Group.

Principal risks and uncertainties facing the Company
The Pantoro Transaction has significantly de-risked the Group's exposure to the Norseman Gold Project. Notwithstanding this, the Norseman Gold Project risks are as follows:

- There can be no assurance that additional equity or debt funding will be available if required by the Company for its future development plans beyond the Sole Funding Period;

- The estimating of mineral reserves and resources is a subjective process, and the accuracy of reserve and resource estimates is a function of the quantity and quality of available data and the assumptions used and judgements made in interpreting engineering and geological information. There is significant uncertainty in any reserve or resource estimate and the actual deposits encountered and the economic viability of mining a deposit may differ materially from the Company's estimates. Historically, variances have occurred between the mined ore as compared to estimated reserves and resources;

- The exploration of mineral rights is speculative in nature and is frequently unsuccessful;

- Underground development is required at the Norseman Gold Project (and drilling to allow effective resource estimation and mine planning is a continuing process). The complexity of the deposit and mineralisation style creates variances in the estimation of the resource model against actual mill production. This can result in significant variances in the amount of contained gold produced against estimates. Further, whilst open pit resources have been consistently estimated, historically variances are noted between the mine plan and production, reflecting the complexity of the deposit and the shortcomings of the estimation approach to adequately deal with the complex mineralisation style;

- Production estimates are dependent on, among other things, the accuracy of mineral reserve and resource estimates, the accuracy of assumptions regarding ore grades and recovery rates, ground conditions and physical characteristics of ores, such as hardness and the presence or absence of particular metallurgical characteristics, and the accuracy of estimated rates and costs of mining and processing;

- The ability to sustain or increase levels of production is dependent upon the successful development of new producing mines and/or identification of additional reserves at existing mining operations. Whilst the Directors consider the Norseman Gold Project to have very good potential for the discovery of additional resources, there is no guarantee of a discovery or that any discovery will be commercially feasible. Reduced production could have a material adverse effect on future cash flows, results of operations and financial condition;

- Estimated mineral reserves or mineral resources may have to be recalculated based on changes in metals prices, further exploration or development activity or actual production experience. This could have a material adverse effect on estimates of the volume or grade of mineralisation, estimated recovery rates or other important factors that influence reserve or resource estimates;

- Market price fluctuations for gold, increased production costs or reduced recovery rates, or other factors may render the present mineral resources uneconomical or unprofitable to develop at a particular site or sites;

- Mining operations have significant operational and development risks. The business of gold mining is subject to a variety of risks including consistency and reliability of ore quality, commodity prices, government policies and other unforeseen contingencies. Such and other similar occurrences may delay production, increase production costs or result in liability;

- Reliance on key personnel and other business inputs. The Company's operations rely on the ability of the Joint Venture with Pantoro to source and retain skilled personnel, contractors, materials and supplies. Cost inflation for these inputs may have a material impact on the Company's operations; and

Principal risks and uncertainties facing the Company (cont.)

- The Covid-19 pandemic continues to create uncertainty for the Group and the global economy. It is unknown how long the pandemic will last, or what long term impact it will have on the Group, the global economy, the price of gold, or foreign exchange rates.

Use of financial instruments
The Group does not use derivative financial instruments. The financial risk management objectives and policies of the Group set out in Note 22 of the Financial Statements include the Group's exposure to price, liquidity and credit risk.

Environment, Health, Safety & Social Responsibility Policy Statement
Norseman operates a management system that embodies Environmental, Health, Safety ("EHS") and Social Responsibility ("SR") principles. This management system defines objectives to be met by the Company, its subsidiaries, affiliates, associates and operated joint ventures in the management of EHS and SR.

The Group has and continues to maintain the EHS & SR policy that seeks to reduce the potential for any breach of its duties and obligations in respect to the Industrial Minerals.

Other than as disclosed, there have been no convictions in relation to breaches of any applicable Acts or Regulations recorded against the Group during the reporting period.

By order of the board

Kevin Maloney
Chairman
30 November 2020

The Directors present their directors' report, together with the audited financial statements the Group and the Company for the year ended 30 June 2020.

The Company is registered in England under the Companies Act 1985 with registered number 05380466 as a public company limited by shares.

Results and dividends
The Group results for the year are set out in the Financial Statements. The Directors do not propose to recommend any dividends for the reporting year ended 30 June 2020. The Group made a profit after tax of AUD$111.1 million for the year ended 30 June 2020 (2019: loss after tax of AUD$5.4 million).

The reported profit after tax of AUD$111.1 million was largely due to the waiver of accrued interest expense by Tulla Group. This waiver of interest expense was outlined in the Circular for the AGM held on 31 December 2019. The waiver of interest totalled AUD$77.0 million, of which AUD$69.8 million was accrued at 30 June 2019. Accordingly, the adjusted net profit after tax would reduce to AUD$41.3 million after adjusting for the reversal of the opening balance prior year accrued interest expense of AUD$69.8 million.

Furthermore, this adjusted net profit after tax of AUD$41.3 million includes a profit on the sale of assets of AUD$41.83 million, primarily related to the sale of 50% of the mining tenements and associated assets as part of the Farm-In and Joint Venture Agreement (FJVA) signed with Pantoro South Pty Ltd on 14 May 2019, and completed on 9 July 2019.

Group structure and changes in share capital
Details of movements in share capital and changes to the Group's structure during the year are set out in Notes 13 and 20 respectively.

Information to shareholders – website
The external host company of the Company's website (www.norsemangoldplc.com) became insolvent and there is currently no access to the website.

Pensions/Superannuation
The Group contributes to superannuation schemes on behalf of its employees in accordance with Superannuation Guarantee legislation in Australia, although the Group has had no employees since 30 June 2019.

Directors
The following Directors held office during the year ended 30 June 2020 and subsequently to that year end date:

- Kevin Maloney
- David Steinepreis
- Fred Kempson

Directors' interests
The beneficial and non-beneficial interests in the Company's shares and convertible loan notes of the current Directors and their families, were as follows:

30 June 2020	*Ordinary shares of £0.0000382 each*	*Deferred Shares of £0.01246173 each*
Kevin Maloney	66,513,333,076	287,312,081
David Steinepreis	6,817,185	6,817,185
Fred Kempson	-	-

Notes:
1. The beneficial and non-beneficial interests of Mr Kevin Maloney are held by Tulla Resources Group Pty Ltd as trustee for the Tulla Resources Investment Trust, Marley Holdings Pty Ltd as trustee for the Maloney Family Trust, Rosebery Nominees Pty Ltd as trustee for the Maloney Superannuation Fund and Tulla Capital Partners Pty Ltd.

Directors' interests (cont.)

2. The beneficial and non-beneficial interests of Mr David Steinepreis are held directly by Ascent Capital Holdings Pty Ltd, N&J Mitchell Holdings Pty Ltd as trustee for the Mitchell Unit Trust, Croesus Mining Pty Ltd as trustee for the Steinepreis Super Fund, N&J Mitchell Holdings Pty Ltd as trustee for Ord Street Properties, by his wife Mrs Linda Steinepreis and by Mark Steinepreis, Carly Steinepreis and Elizabeth Steinepreis.

Directors' service contracts

Kevin Maloney – executive
Mr Maloney provides executive chairman services to the Company. There is no service contract. Mr Maloney's remuneration payable is AUD$160,000 per annum. Mr Maloney has not received any remuneration for these services since his appointment on 13 July 2012 and this entitlement has been waived through to 30 June 2020.

David Steinepreis –non-executive
Mr Steinepreis provides non-executive director services to the Company through a consultancy agreement with the Company. Mr Steinepreis' remuneration for the period was AUD$36,000 per annum, which has been paid.

Fred Kempson – non-executive
Mr Kempson provides non-executive director services to the Company through a consultancy agreement with the Company. Mr Kempson's remuneration payable, commencing from 1 July 2019 is AUD$36,000 per annum. Mr Kempson was also paid $3,000 during the year ended 30 June 2020 in relation to services provided from his appointment to 30 June 2019.

Directors' remuneration
The remuneration paid or accrued to the Directors, in accordance with the service contracts which include payments made to entities associated with the Directors, during the year ended 30 June 2020, was as follows:

	Fees/Salaries AUD$	*Share based payments AUD$*	*2020 Total AUD$*	*2019 Total AUD$*
Kevin Maloney	-	-	-	-
David Steinepreis	$36,000	-	$36,000	$60,000
Fred Kempson	$39,000	-	$39,000	-
Totals	$75,000	-	$75,000	$60,000

The Company has accrued expenses totalling $34,500 for unpaid Directors' remuneration for services provided by David Steinepreis and Fred Kempson through to 30 June 2020. The total amount accrued has been paid in full post 30 June 2020.

Political and charitable contributions
The Group does not make political contributions. It has a policy of making social investments in its areas of operations where the investment is directly or indirectly related to its impact on or engagement with local communities. Charitable donations would not normally be a large component of such investment.

Issue of share options and warrants
There are no share options and warrants outstanding as at 30 June 2020.

Internal controls
The Board is responsible for identifying and evaluating the major business risks faced by the Group and for determining and monitoring the appropriate course of action to manage these risks.

Statement of disclosure to the auditors

So far as all of the current Directors are aware:

a) there is no relevant audit information of which the Company's auditors are unaware; and
b) all the Directors have taken steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

UHY Hacker Young were appointed statutory auditors to the Company. In accordance with Section 489 of the Companies Act 2006, a resolution proposing that UHY Hacker Young be reappointed as auditors of the Company and that the Directors be authorised to determine their remuneration will be put to the next Annual General Meeting.

Statement of directors' responsibilities

The Directors are responsible for preparing the financial statements in accordance with applicable laws and International Financial Reporting Standards as adopted by the European Union ("IFRS"). UK Company Law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Group and of the Company and of the profit or loss of the Group for that period. In preparing those financial statements, the Directors are required to:

a) select suitable accounting policies and then apply them consistently;
b) make judgements and estimates that are reasonable and prudent;
c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business;

The Directors confirm that the financial statements comply with the above requirements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and Company and to enable them to ensure that the financial statements comply with the UK Companies Act 2006. The Directors are also responsible for safeguarding the assets of the Group and hence for taking steps for the prevention and detection of fraud and other irregularities.

By order of the board

Kevin Maloney
Chairman
30 November 2020

Kevin Maloney, Executive Chairman, aged 73

Mr Maloney is Chairman of the Tulla Group of companies which has now invested significantly in the future of Norseman by direct funding through shares and debt. Tulla Group is the Australian owned investment group of the Maloney family. Based in Sydney, it was established in the early 1990s with an open mandate focusing on small to middle market listed companies, private equity, venture capital and debt. Tulla Group has a track record of success from building and growing many businesses, including The MAC Services Group which is a mining services company that was listed on the ASX in April 2007 and sold to Oil States International in December 2010.

David Steinepreis, Non-Executive Director, aged 63

David Steinepreis is a resident of the United Kingdom and a Chartered Accountant and former partner of an international accounting firm where he specialised in strategic corporate advice and taxation for listed companies. He entered commerce as a director, adviser and major shareholder of a number of listed companies in the gold, diamonds, oil and new mining technology sectors. This business model continues today.

Frederick Kempson, Non-Executive Director, aged 77

Fred Kempson was previously the Managing Director of two major investment banks (Australian International Finance Ltd and Security Pacific Ltd); Deputy Chairman of the Australian Merchant Bankers Association and a director of many public and private companies in Australia, the UK, USA, Hong Kong and New Zealand.

Qualified opinion on financial statements

We have audited the financial statements of Norseman Gold plc for the year ended 30 June 2020 which comprise the Group Statement of Comprehensive Income, the Group and Parent Company Statements of Changes in Equity, the Group and Parent Company Balance Sheets, the Group and Parent Company Statements of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report below, the financial statements:

- give a true and fair view of the state of the Group and Parent Company's affairs as at 30 June 2020 and of the Group and Parent company's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion on financial statements

The audit evidence currently available to us at the date of signing this report was limited because at the time of approval of the financial statements it was not possible to obtain sufficient audit evidence in respect of future funding and therefore conclude on likelihood of favourable outcomes to the material uncertainties relating to going concern which are described in note 1.2 to the financial statements. We have therefore been unable to obtain sufficient audit evidence regarding the possible effect of these material uncertainties. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern (such as further impairments of assets of the Company and Group). Had this information been available to us we might have formed a different opinion on the financial statements.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

Except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report above, we have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information.

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.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs (UK) 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities.This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with part 3 of Chapter 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

James Astley
(Senior Statutory Auditor)

For and on behalf of
UHY Hacker Young
Chartered Accountants
Statutory Auditor

Quadrant House
4 Thomas More Square
London E1W 1YW

30 November 2020

NORSEMAN GOLD PLC
GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	*Year ended 30 June 2020 AUD$*	*Year ended 30 June 2019 AUD$ (As restated)*
Continuing operations			
Group revenue	2	-	-
Cost of sales – direct costs		-	-
Gross profit		-	-
Profit on sale of assets	3	44,325,265	-
Other operating income	5	383,291	101,682
Exploration impairment write back	11	-	18,393,597
Administrative expenses before depreciation, exploration expenditure write off, rehabilitation costs write back and impairments		(1,481,698)	(5,390,645)
Rehabilitation costs – provision	17	(174,413)	(643,860)
Exploration expenditure write off	11	-	(2,255,330)
Depreciation and impairment of property, plant & equipment	10	-	-
Total administrative expenses		(1,656,111)	(8,289,835)
Group operating profit	4	43,052,445	10,205,444
Unwind discount on deferred consideration	6	1,335,046	-
Interest waiver	6	76,985,125	-
Interest receivable		124	390
Interest payable	6	(10,319,796)	(15,661,539)
Profit / (loss) before taxation		111,052,944	(5,455,705)
Taxation	7	-	-
Profit / (loss) for the year		111,052,944	(5,455,705)
Other comprehensive income		-	-
Total comprehensive profit / (loss) attributable to equity holders of the Company		111,052,944	(5,455,705)

NORSEMAN GOLD PLC
GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Share Capital AUD$	*Share Premium AUD$*	*Retained Losses AUD$*	*Total Equity AUD$*
Year ended 30 June 2020				
Balance at 1 July 2019 (as previously reported)	22,948,180	143,086,801	(339,533,115)	(173,498,134)
Prior Period Adjustment (see Note 27)	-	-	(19,530,106)	(19,530,106)
Balance at 1 July 2019 (restated)	**22,948,180**	**143,086,801**	**(359,063,221)**	**(193,028,240)**
Net profit for 2020	-	-	111,052,944	111,052,944
Total comprehensive Income for the period	-	-	111,052,944	111,052,944
New Shares Issued during 2020	5,000,000	-	-	5,000,000
Balance at 30 June 2020	27,948,180	143,086,801	(248,010,277)	(76,975,296)

	Share Capital AUD$	*Share Premium AUD$*	*Retained Losses AUD$*	*Total Equity AUD$*
Year ended 30 June 2019				
Balance at 1 July 2018 (as previously reported)	22,948,180	143,086,801	(334,163,378)	(168,128,397)
Prior Period Adjustment (see Note 27)	-	-	(19,444,138)	(19,444,138)
Balance at 1 July 2018 (as restated)	**22,948,180**	**143,086,801**	**(353,607,516)**	**(187,572,535)**
Net loss for 2019 (as restated)	-	-	(5,455,705)	(5,455,705)
Total comprehensive loss for the period	-	-	(5,455,705)	(5,455,705)
Balance at 30 June 2019 (as restated)	22,948,180	143,086,801	(359,063,221)	(193,028,240)

NORSEMAN GOLD PLC
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Share Capital AUD$	*Share Premium AUD$*	*Retained Losses AUD$*	*Total Equity AUD$*
Year ended 30 June 2020				
Balance at 1 July 2019 (as previously reported)	22,948,180	143,086,801	(185,088,449)	(19,053,468)
Prior Period Adjustment (see Note 27)	-	-	(100,000)	(100,000)
Balance at 1 July 2019 (as restated)	**22,948,180**	**143,086,801**	**(185,188,449)**	**(19,153,468)**
Net profit for 2020	-	-	27,710,614	27,710,614
Total comprehensive loss for the period	-	-	27,710,614	27,710,614
New Shares Issued during 2020	5,000,000	-	-	5,000,000
Balance at 30 June 2020	27,948,180	143,086,801	(157,477,835)	13,557,146
	=======	=======	=======	=======
Year ended 30 June 2019				
Balance at 1 July 2018 (as previously reported)	22,948,180	143,086,801	(184,504,807)	(18,469,826)
Prior Period Adjustment (see Note 27)	-	-	(100,000)	(100,000)
Balance at 1 July 2018 (as restated)	**22,948,180**	**143,086,801**	**(184,604,807)**	**(18,569,826)**
Net loss for 2019	-	-	(583,642)	(583,642)
Total comprehensive loss for the period	-	-	(583,642)	(583,642)
Balance at 30 June 2019	22,948,180	143,086,801	(185,188,449)	(19,153,468)
	=======	=======	=======	=======

NORSEMAN GOLD PLC
GROUP BALANCE SHEET
AS AT 30 JUNE 2020

	Notes	*30 June 2020 AUD$*	*30 June 2019 AUD$ (As restated)*
ASSETS			
Non-Current Assets			
Property, plant and equipment	10	31,818	-
Trade and other receivables	14	9,049,774	-
		9,081,592	-
Current Assets			
Disposal group assets held for sale	11	-	18,393,597
Trade and other receivables	14	5,294,987	587,486
Cash and cash equivalents	15	63,312	54,207
		5,358,299	19,035,290
Total Assets		14,439,891	19,035,290
LIABILITIES			
Current Liabilities			
Trade and other payables	16	6,669,942	6,909,157
Disposal group liabilities – rehabilitation provision	17	-	20,512,218
Provisions for liabilities	17	-	49,077
Loans and borrowings	18	1,912,392	164,080,861
		8,582,334	191,551,313
Non-Current Liabilities			
Provisions for liabilities	17	20,686,630	20,512,217
Loans and borrowings	18	62,146,223	-
		82,832,853	20.512,217
Total Liabilities		91,415,187	212,063,530
Net Liabilities		(76,975,296)	(193,028,240)
EQUITY			
Capital and Reserves			
Share capital	19	27,948,180	22,948,180
Share premium	19	143,086,801	143,086,801
Retained losses		(248,010,277)	(359,063,221)
Shareholders' Equity		(76,975,296)	(193,028,240)

The financial statements were approved by the Board of Directors on 30 November 2020 and signed on its behalf by:

Kevin Maloney
Chairman
Company Registration number 5380466

NORSEMAN GOLD PLC
COMPANY BALANCE SHEET
AS AT 30 JUNE 2020

	Notes	*30 June 2020 AUD$*	*30 June 2019 AUD$ (As restated)*
ASSETS			
Non-Current Assets			
Loan to subsidiary undertakings	13	13,810,948	-
Investment in subsidiary undertakings	13	-	-
		13,810,948	-
Current Assets			
Trade and other receivables	14	2,861,742	180,806
Cash and cash equivalents	15	91	122
		2,861,833	180,928
Total Assets		16,672,781	180,928
LIABILITIES			
Current Liabilities			
Trade and other payables	16	1,421,435	127,915
Loans and borrowings	18	1,694,200	19,206,481
		3,115,635	19,334,396
Total Liabilities		3,115,635	19,334,396
Net Liabilities		13,557,146	(19,153,468)
EQUITY			
Capital and Reserves			
Share capital	19	27,948,180	22,948,180
Share premium	19	143,086,801	143,086,801
Retained losses		(157,477,835)	(185,188,449)
Shareholders' Equity		13,557,146	(19,153,468)

The financial statements were approved by the Board of Directors on 30 November 2020 and signed on its behalf by:

Kevin Maloney
Chairman

Company Registration number 5380466

NORSEMAN GOLD PLC
GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	*Year ended 30 June 2020 AUD$*	*Year ended 30 June 2019 AUD$*
Net cash outflow from operating activities	23	(1,094,077)	(5,436,627)
Investing activities			
Proceeds from sale of assets		7,512,500	-
Direct costs from sale of assets		(2,163,000)	-
Funds used in exploration expenditure	11	-	(2,255,330)
Purchases of plant & equipment	10	(31,818)	-
Net cash generated from / (used in) investing activities		5,317,682	(2,255,330)
Financing activities			
Cash proceeds from related party financing	18	2,706,000	3,533,489
Loan repayments to related party	18	(6,920,500)	-
Cash proceeds from third party financing	18	-	4,142,417
Cash proceeds from issue of shares	19	-	-
Net cash (used in) / generated from financing activities		(4,214,500)	7,675,906
Increase / (decrease) in cash and cash equivalents		9,105	(16,051)
Cash and cash equivalents at beginning of year		54,207	70,258
Cash and cash equivalents at end of year		63,312	54,207

NORSEMAN GOLD PLC
COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	*Year ended 30 June 2020 AUD$*	*Year ended 30 June 2019 AUD$*
Net cash (outflow) / inflow from operating activities	23	(1,440,551)	112,863
Investing activities			
Loan granted to subsidiaries		(1,880)	(470,000)
Loan repayments to related parties		(10,000,000)	-
Loan repayments from subsidiaries		6,442,400	356,860
Net cash from / (used in) investing activities		(3,559,480)	(113,140)
Financing activities			
Cash proceeds from issue of shares	19	5,000,000	-
Net cash from investing activities		5,000,000	-
Decrease in cash and cash equivalents		(31)	(277)
Cash and cash equivalents at beginning of year		122	399
Cash and cash equivalents at end of year		91	122

1. **Accounting policies**

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

1.1 **Basis of preparation**

The financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with International Financial Reporting Standards, as adopted by the European Union ("IFRS"), including IFRS6 'Exploration for and Evaluation of Mineral Resources' and in accordance with the Companies Act 2006. The Parent Company's financial statements have also been prepared in accordance with IFRS and the Companies Act 2006.

1.2 **Going concern**

The Group made an operating profit of AUD$43.1 million and a net profit of AUD$111.1 million for the year, which follows an operating profit of AUD$10.3 million and net loss of AUD$5.4 million for the previous financial year ended 30 June 2019.

The Group had cash of AUD$0.06 million and net liabilities of AUD$77.0 million at 30 June 2020.

Following the completion of the Pantoro Transaction Pantoro is liable for all expenditure in relation to the Norseman Gold Project during the Sole Funding Period. Accordingly, the financing requirements of the Group have been substantially reduced, although there are ongoing liabilities being incurred in relation to the Tulla Group debt, the Excluded Assets and the retained legal liabilities.

Under the terms of the New Financing Agreement approved by shareholders at the Company General Meeting on 31 December 2019, no repayment of the Tulla Group debt was required prior to 31 July 2021 and then, on a minimum of 3 months' notice. Prior to the repayment date interest accrues but is not payable until 31 July 2021. Tulla Group has indicated that it will continue to offer financial support to the Group within the headroom of the New Financing Agreement of AUD$60.0 million, drawn to AUD$59.0 million at 30 June 2020, however drawn to AUD$58.6 million at the date of this report. This is sufficient to meet the estimated costs of the Group through to the end of the Sole Funding Period, currently expected to be prior to 30 June 2021, at which time the Group will need to secure an additional source of funding.

With respect to the Norseman Gold Project, the Group will be required to contribute 50% of the expenditure of the Joint Venture upon completion of the Sole Funding Period (i.e. the expenditure of AUD$50.0 million by Pantoro). As at 30 September 2020, Pantoro had spent approximately AUD$27.0m (unaudited) on the Norseman Gold Project. Upon completion of the Sole Funding Period, the Group will have several options available to it:

- Sale of part or all of its interest in the Joint Venture to Pantoro or a third party;
- Raising of capital (debt or equity) to meet its future Joint Venture funding obligation;
- The FJVA provides the Group the option to progressively dilute its interest in the Joint Venture if unable to meet future funding calls to the Joint Venture;
- Application of the second deferred payment (i.e. AUD$10.0m) to be received from Pantoro in July 2021 to the funding requirements of the Joint Venture.

The Group is currently exploring all options available to it in order to ensure the Group is a going concern, and to maximise the value to the Group's shareholders.

The Directors are of the view that the Group will be able to secure sufficient funding to enable the Group to meet its future obligations under the FJVA. Accordingly, the Directors believe the use of the going concern principle is appropriate.

The Covid-19 pandemic has had a material impact on global markets, including the gold price., with the price of gold increasing by 29% from AUD$2,011 per ounce to AUD$2,586 per ounce over the 12 months to 30 June 2020.

The financial statements do not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts, impairments, or classification of, recorded assets or liabilities that might be necessary should the Company and Group not be able to continue as a going concern.

1.3 **Basis of consolidation**

The consolidated financial statements incorporate the accounts of the Company and its subsidiaries and have been prepared by using the principles of acquisition accounting ("the purchase method") which includes the results of the subsidiaries from their date of acquisition.

The Company controls a subsidiary if it is exposed, or has rights to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

Intra-group sales, profits and balances are eliminated fully on consolidation.

1.4 **Income taxation**

Income tax expense recognised in the profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive or directly in equity.

Deferred income taxes are provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income taxes are determined using tax rates that have been enacted or substantially enacted and are expected to apply when the related deferred income tax asset is realised or the related deferred income tax liability is settled.

The principal temporary differences arise from depreciation or amortisation charged on assets and tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. Norseman Gold plc and its wholly owned subsidiaries have implemented Australian tax consolidation legislation. The head entity, Norseman Gold plc and the subsidiaries in the tax consolidation group account for their own current and deferred tax amounts. These amounts are measured as if each entity in the tax consolidation group continues to be a stand-alone taxpayer in its own right.

1.5 **Mine properties in production phase and exploration and evaluation expenditure**

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. Economically recoverable reserves are determined by the following: For open pit operations – proven and probable reserves; and for underground operations – proven and probable reserves and reasonably assured potential additional reserves. Accumulated costs associated with underground operations include an estimate of the future costs associated with the conversion of 'indicated' and 'inferred' resources into the 'measured' category. This estimate is based on the historical cost per ounce discovered. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Provision for rehabilitation

Costs of site restoration are provided when an obligating event occurs from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on a discounted basis. Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

1.5 **Mine properties in production phase and exploration and evaluation expenditure (cont.)**

Joint Ventures and Joint Operations
A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group recognises its share of jointly held assets, liabilities, revenues and expenses of joint operations. These are incorporated in the financial statements under the appropriate classifications.

In accordance with industry guidance, in accounting for the farm-in and joint venture agreement, the Group only recognised cash payments (up front and deferred), the fair value of shares received and the value of liabilities assumed by the farmee. The Group did not recognise any consideration with respect to the value of the work to be performed by the farmee and instead, carry the remaining interest at the previous cost of the full interest, reduced by the amount of consideration recognised. The effect being that there is no gain recognised on the disposal unless the consideration recognised exceeds the carrying value of the entire asset held.

1.6 **Property, plant and equipment**
Property, plant and equipment are carried at cost less any accumulated depreciation. The carrying amount of property, plant and equipment is reviewed annually by directors for impairment to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts. The cost of fixed assets constructed includes the cost of materials, direct labour and an appropriate proportion of fixed and variable overheads.

1.7 **Depreciation**
The depreciable amount of all fixed assets including buildings but excluding freehold land is depreciated over their useful lives commencing from the time the asset is held ready for use. Depreciation is calculated on a straight-line basis.

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

Class of property, plant and equipment	*Depreciation Rate*
Mine Infrastructure	10% - 50%
Mobile Equipment	20% - 33%
Fixed Plant & Equipment	13% - 33.33%
Office Equipment	10% - 33.33%
Land and Buildings	0% - 20%

1.8 **Employee benefits**
The Group did not have any employees at 30 June 2020, accordingly no employee benefits remained owing at year end. Notwithstanding this, the accounting policy provides for the provision to be made for the liability for employee benefits arising from services rendered by employees to the balance sheet date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave, which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

1.9 **Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost and comprise cash in hand, cash at bank, deposits held at call with banks, cash in transit between banks, and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are included within borrowings in current liabilities on the balance sheet. For the purposes of the cash flow statement, cash and cash equivalents also include the bank overdrafts.

1.10 **Provisions for liabilities**

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Clauses 1.6 and1.21 refer to the accounting policies adopted in relation to the provision for future rehabilitation liabilities associated with mine properties.

1.11 **Financial Instruments**

Financial Assets - initial recognition and measurement

Financial assets are classified, at initial recognition, at fair value. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- 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.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses.

1.11 **Financial Instruments (cont.)**

Financial Liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities include trade and other payables and secured and unsecured loans from directors and other parties.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:
Financial Liabilities at amortised cost

This is the category most relevant to the Group. After initial recognition, trade payables and borrowings are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets, other than goodwill, that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

1.12 **Investments**
Investments in subsidiary companies are stated at cost less provision for impairment in the Company's balance sheet.

1.13 **Foreign currency transactions and balances**
(i) Functional and presentational currency
Items included in the Group's financial statements are measured using Australian Dollars ("AUD$"), which is the currency of the primary economic environment in which the Group operates ("the functional currency"). The financial statements are also presented in AUD$ which is the Group's presentation currency. The exchange rate at 30 June 2020 was £1 = $1.79 (2019: £1 = $1.81).

The individual financial statements of each Group company, including the parent company, are measured and presented in AUD$.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Transactions in the accounts of individual Group companies are recorded at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling at the balance sheet date. All differences are taken to the income statement.

1.14 **Assets held for sale**

Assets or disposal groups are classified as held-for-sale if their carrying amount will be recoverable principally through a sale transaction, not through continuing use. The condition is regarded as met only when the sale is highly probably and the asset is available for immediate sale in its present condition. These assets may be a component of an entity, a disposal group or an individual non-current asset. Upon initial classification as held-for-sale, non-current assets and disposal groups are recognised at the lower of carrying amount and fair values less cost to sell.

1.15 **Leases**

The Group has applied IFRS 16 using the modified retrospective approach and therefore comparative information has not been restated and is presented under IAS 17. The details of accounting policies under both IAS 17 and IFRS 16 are presented separately below.

Policy applicable from 1 July 2019

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

The lease liability is presented as a separate line in the balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, prepayments made on the lease at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

The depreciation starts at the commencement date of the lease.

1.15 **Leases (cont.)**

Policy applicable prior to 1 July 2019
Operating leases

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Group (an "operating lease") amounts payable under the lease are charged to the income statement on a straight-line basis over the lease term.

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.

1.16 **Capital management**

The Group's objective when managing capital is to ensure that adequate funding and resources are obtained to enable it to develop its projects through to profitable production, while in the meantime safeguarding the Group's ability to continue as a going concern. This is aimed at enabling it, once the projects come to fruition, to provide appropriate returns for shareholders and benefits for other stakeholders. The Group manages the capital structure in the light of changes in economic conditions and risk characteristics of the underlying projects. Conditions attached to borrowings are monitored regularly in the light of management accounts. Capital will continue to be sourced from equity and from borrowings as appropriate.

1.17 **Critical accounting judgements and estimates**

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. IFRSs also require management to exercise its judgement in the process of applying the Group's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

Impairment of tangible and intangible assets
Determining whether a tangible or an intangible asset is impaired requires an estimation of whether there are any indications that its carrying value is not recoverable. At each reporting date, the Group reviews the carrying value of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Valuation of investments
Management value investments after taking into account ore reserves, and cash-flow generated by estimated future production, sales and costs. If the assumed factors vary from actual occurrence, this will impact on the amount of the asset which should be carried on the balance sheet.

Provision for rehabilitation costs
Provisions for restoration are established in the consolidated balance sheet when the obligating event occurs. Such costs have been determined using estimates of future costs, current legal requirements and technology on a discounted basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation.

1.17 **Critical accounting judgements and estimates (cont.)**

Exploration and Evaluation costs

Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they are written off in the period in which this determination is made.

1.18 **Adoption of new and revised International Financial Reporting Standards**

The Group applied IFRS 16 Lease and IFRIC 23 Uncertainty over Income Tax Treatments for the first time from 1 July 2019. The nature and effect of these changes did not have a material impact on the Group / Company's financial statements given that leases are of a short term nature and related to low-value assets and the Group has elected to apply the exemptions under IFRS 16.

As of the date of these financial statements the IASB and IFRIC have issued a number of new standards, amendments and interpretations which are effective for accounting periods beginning on or after the dates shown below:

Standard	*Impact on initial application*	*Effective date*
IFRS 3	*Business Combinations*	*1 January 2020*
IAS 1	*Definition of Material*	*1 January 2020*
IAS 8	*Accounting Policies, Changes in Accounting Estimates and Errors*	*1 January 2020*

* Amendments

The Group has not adopted these amended standards and interpretations. The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Group's financial statements in the periods of initial application.

2. **Segmental reporting**

For the purposes of segmental information, the Group has determined that its operations are confined to a single operating segment, located in a single geographical region, Australia. All material revenue is derived from the development of mineral resources from its Norseman Gold Project in Australia, which is the Group's sole cash generating unit. Revenues are generated from the production of precious metals, principally gold, and to a lesser extent, silver and these metals are sold to the government controlled Perth Mint. It is noted that the Norseman Gold Project has been in the exploration and development phase and no material income has been generated during the years ended 30 June 2019 or 30 June 2020.

3. Profit on sale of assets

The Group's profit on sale of assets is a recognition of the gross profit on the sale of tenements and the sale of shares. The revenue from the sale of assets included all non-contingent consideration and the liabilities assumed by the purchaser as a result of the transaction. The cost base of the assets sold includes the carrying value of those assets.

	Year ended 30 June 2020 AUD$	*Year ended 30 June 2019 AUD$*
Profit on sale tenements in accordance with FJVA (refer below)	41,812,765	-
Profit on sale of other tenements	12,500	-
Profit on sale of shares	2,500,000	-
	44,325,265	-

Profit on sale of tenements in accordance with FJVA is reconciled as follows:		
- Add: Upfront consideration	10,000,000	-
- Add: Present value of deferred consideration (12 months)	4,524,887	-
- Add: Present value of deferred consideration (24 months)	8,189,840	-
- Add: Fair value of shares consideration	17,500,000	-
- Add: FY19 expenditure added to Sole Funding Expenditure and paid by Pantoro South Pty Ltd	1,642,417	-
- Add: 50% of provision for rehabilitation assumed by Pantoro South Pty Ltd	20,512,218	-
- Less: Carrying value of exploration assets disposed	(18,393,597)	-
- Less: Selling costs	(2,163,000)	-
	41,812,765	-

The FJVA included two components on contingent consideration, details of which are set out below. These two contingent amounts receivable meet the criteria of contingent assets in accordance with IAS 37 as they are not virtually certain of being received. They are not recognised in the balance sheet as assets. The two components of contingent consideration are as follows:

a) Royalty – 1% net smelter royalty on Pantoro's attributable gold and silver produced from the Norseman Gold Project, capped at $6.0 million, plus 0.0025% royalty for a period of five (5) years after the first $6.0 million is paid; and
b) Milestone Payment - $10.0 million payment upon definition of 1.80 million JORC Ore Reserve on the Norseman Gold Project.

4. Group operating profit

The Group's operating profit is stated after charging / (crediting):

	Year ended 30 June 2020 AUD$	*Year ended 30 June 2019 AUD$*
Employee costs, excluding share-based payments	75,000	1,169,996
Exploration costs written off (note 11)	-	2,255,329
Exploration impairment reversal (note 11)	-	(18,393,597)
Depreciation and impairment of property, plant & equipment (note 10)	-	-
Rehabilitation expense (note 17)	174,413	643,860
Auditors' remuneration		
- UK (Group and Parent Company audit services)	46,802	37,230
- Australia (subsidiary company audit services)	-	25,060

5. Other operating income

Group	*Year ended 30 June 2020 AUD$*	*Year ended 30 June 2019 AUD$*
Equipment lease income	53,500	-
Labour and fuel Expenses recharged to third parties	299,541	-
Rental income	30,250	44,050
Sundry income	-	57,632
	383,291	101,682

6. Interest income and interest payable

Group	*Year ended 30 June 2020 AUD$*	*Year ended 30 June 2019 AUD$*
Unwind discount on deferred consideration	1,335,046	-
Interest waiver	76,985,125	-
Interest on debt, convertible loan notes, related party financings and other	(10,319,796)	(15,661,539)

The deferred consideration includes AUD$5.0 million and AUD$10.0 million receivable 12 months and 24 months respectively after the date of completion (9 July 2019), adjusted for the impacts of discounting. The movement in the carrying amount of the receivables represents an unwinding of the discount on the deferred consideration.

In accordance with the resolution approved at the AGM on 31 December 2019, the Tulla Group converted AUD$5.0m of its principal debt into equity. Following the debt for equity conversion, the Group renegotiated the terms of its debt obligations with Tulla Group, consolidating the principal balance of its debts (AUD$58,058,968) under a new Loan Agreement, effective from 1 January 2020, with Tulla Group agreeing to waive AUD$76,985,125 in interest accrued on the respective loans through to 31 December 2019.

7. Taxation

	Year ended 30 June 2020 AUD$	*Year ended 30 June 2019 AUD$ (as restated)*
Current tax		
Deferred tax asset (DTA) recognition	-	-
Deferred tax liability	-	-
Total current tax charge/(credit) as reported in loss	-	-

The current tax charge for the period can be reconciled to the loss per income statement as follows:

	Year ended 30 June 2020 AUD$	*Year ended 30 June 2019 AUD$ (as restated)*
Group profit / (loss) before tax	111,052,944	(5,455,705)
Tax at the Australian corporation tax rate of 27.5%	30,539,560	(1,500,319)
Tax effects of:		
Non assessable income	(19,731,657)	-
Tax losses applied	(10,807,903)	-
Tax losses not recognised	-	1,500,319
Total current tax charge/(credit) as reported in loss	-	-

The tax benefits of the deferred tax assets will only be obtained if:

(a) the company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
(b) the company continues to comply with the conditions for deductibility imposed by law; and
(c) no changes in income tax legislation adversely affect the company in utilising the benefits.

Factors that may affect future tax charges
At the year-end date, the Group has unused tax losses available for offset against suitable future profits of approximately AUD$168.2 million (2019: AUD$191.8 million). A resulting deferred tax asset has not been recognised in respect of such losses due to the uncertainty of future profit streams.

8. Parent company income statement

In accordance with the provisions of the Section 408 of the Companies Act 2006, the Parent Company has not presented an income statement. A profit for the year ended 30 June 2020 of AUD$27.71 million (30 June 2019: loss of AUD$0.58 million) has been included in the Group income statements. The loss includes the income tax expense of AUD$ Nil (2019: AUD$ Nil).

9. **Employee costs**

Group

The employee costs of the Group, including directors' remuneration, are as follows:

	Year ended 30 June 2020 AUD$	*Year ended 30 June 2019 AUD$*
Wages, salaries and Directors fees	75,000	1,068,490
Social security & superannuation costs	-	101,506
	75,000	1,169,996

It is noted that none of the Directors are employees of the Group, but rather they invoice the Group for their services. Further details of the directors' remuneration are shown in the Directors' Report.

Group	*Year ended 30 June 2020 Number*	*Year ended 30 June 2019 Number*
The average numbers of employees during the year were:		
Area:		
Exploration	-	2
Administration	-	3
Engineering (Maintenance)	-	4
Corporate	-	1
Directors	3	3
	3	13

10. Property, plant & equipment

Group	*Land and Buildings AUD$*	*Fixed Plant and equipment AUD$*	*Mine Infrastructure and mobile equipment AUD$*	*Capital works in progress AUD$*	*Total AUD$*
Cost					
At 1 July 2019	780,208	8,548,456	13,758,198	-	23,086,862
Additions	-	31,818	-	-	31,818
Disposals	(780,208)	(8,548,456)	(13,758,198)	-	(23,086,862)
Reclassification	-	-	-	-	-
At 30 June 2020	-	31,818	-	-	31,818
Depreciation					
At 1 July 2019	(780,208)	(8,548,456)	(13,758,198)	-	(23,086,862)
Depreciation charge	-	-	-	-	-
Impairment charge	-	-	-		-
Disposals	780,208	8,548,456	13,758,198	-	23,086,862
At 30 June 2020	-	-	-	-	-
Net book values					
30 June 2020	-	31,818	-	-	31,818

Group	*Land and Buildings AUD$*	*Fixed Plant and equipment AUD$*	*Mine Infrastructure and mobile equipment AUD$*	*Capital works in progress AUD$*	*Total AUD$*
Cost					
At 1 July 2018	780,208	8,548,456	13,758,198	-	23,086,862
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Reclassifications	-	-	-	-	-
At 30 June 2019	780,208	8,548,456	13,758,198	-	23,086,862
Depreciation					
At 1 July 2018	(780,208)	(8,548,456)	(13,758,198)	-	(23,086,862)
Depreciation charge	-	-	-	-	-
Impairment charge	-	-	-	-	-
On disposals	-	-	-	-	-
At 30 June 2018	(780,208)	(8,548,456)	(13,758,198)	-	(23,086,862)
Net book values					
30 June 2019	-	-	-	-	-

10. **Property, plant & equipment (continued)**

The Directors review the carrying values of property, plant and equipment periodically to ensure the carrying value will be recovered by ongoing mining activities.

11. **Exploration & evaluation assets**

Group	*Year ended 30 June 2020 AUD$*	*Year ended 30 June 2019 AUD$ (As restated)*
Costs carried forward in respect of areas of interest in:		
Exploration and evaluation phases:		
At 1 July 2019	-	-
Exploration expenditure incurred during the year	-	2,255,330
Exploration expenditure written off	-	(2,255,330)
Exploration impairment reversal	-	18,393,597
Transfer to disposal group assets available for sale	-	(18,393,597)
Recognition of disposal	-	-
As at 30 June 2020	-	-
Disposal group assets available for sale (Exploration):		
At 1 July 2019	18,393,597	-
Recognition of disposal	(18,393,597)	-
Transfer to disposal group assets available for sale	-	18,393,597
As at 30 June 2020	-	18,393,597

In accordance with accounting standard guidance, the Group, as "farmor" under the FJVA, has recognised all non-contingent consideration under the FJVA, including cash, deferred cash and shares issued in Pantoro Ltd. To the extent that this non-contingent consideration exceeded the carrying value of 100% of the Exploration and Evaluation Assets, the excess has been recognised as profit on sale of assets.

In this instance, the present value of all non-contingent consideration exceeded the opening carrying balance of AUD$18,393,597, accordingly, this balance has been written down to nil in the Balance Sheet of the Group. Any future contingent consideration, if received, will be recognised immediately as a profit on sale of assets due to the nil carrying value of the assets sold.

In accordance with the terms of the FJVA, Pantoro are required to spend $50m in sole funding on the Norseman Gold Project. Accordingly, the Group has no financial obligations to fund the exploration activities being undertaken until the Sole Funding Period expires.

12. Goodwill

Group	*Year ended 30 June 2020 AUD$*	*Year ended 30 June 2019 AUD$*
Cost		
At 1 July and 30 June	44,983,622	44,983,622
Amortisation and impairment		
At 30 June	(44,983,622)	(44,983,622)
Net book value		
At 30 June	-	-

Goodwill arose on the acquisition of the Company's subsidiary undertakings in prior years. The Group tests goodwill for impairment at each reporting date and fully impaired all goodwill in the prior financial years (see note 13 below).

13. Investments in subsidiary undertakings

	Loans to subsidiary undertakings AUD$	*Shares in subsidiary undertakings AUD$*	*Total AUD$*
Company			
Cost			
At 1 July 2019	-	-	-
Loans repaid from subsidiaries in the year	(6,440,520)	-	(6,440,520)
Reversal of prior period provisions for impairment	20,251,468	-	20,251,468
At 30 June 2020	13,810,948	-	13,810,948

	Loans to subsidiary undertakings AUD$	*Shares in subsidiary undertakings AUD$*	*Total AUD$*
Company			
Cost			
At 1 July 2018	-	-	-
Loans made to subsidiaries in the year	96,890	-	96,890
Provisions for impairment	(96,890)	-	(96,890)
At 30 June 2019	-	-	-

The loans due from subsidiaries are interest free, unsecured and repayable to the Company in more than one year with no fixed repayment terms.

Impairment reviews on the value of investments in and loans to subsidiaries are carried at each reporting date. When events or changes in circumstances indicate that the carrying amount of loans or investments may not be supported by future net revenues from the subsidiaries a comparison between the net book value of the loans and investments and the discounted future cash flows from the subsidiary's undertakings is performed.

13. **Investments in subsidiary undertakings (continued)**

During the year ended 30 June 2020, the Group engaged Grant Thornton to undertake a valuation of Group' assets for the purpose of implementing a debt for equity conversion as ratified at the Group's AGM on 31 December 2019. With reference to this valuation of assets prepared by Grant Thornton, the Directors have determined that part of the loan from Norseman Gold plc to CNGC is recoverable, accordingly part of the balance of the impairment on the loan has been reversed to ensure the carrying value reflects the estimated recoverable value of the loan.

Subsidiary undertakings:

Name of company	*Country*	*Holding*	*Proportion held*	*Nature of business*
Norseman Gold Pty Ltd	Australia	Ordinary Shares	100%	Intermediate holding company
Central Norseman Gold Corporation Pty Ltd*	Australia	Ordinary Shares	100%	Gold mining company
Pangolin Resources Pty Ltd**	Australia	Ordinary Shares	100%	Mineral exploration company

*The Company's interest in Central Norseman Gold Corporation Pty Ltd is held through Norseman Gold Pty Ltd.
** Pangolin Resources Pty Ltd ("Pangolin") is a subsidiary of Central Norseman Gold Corporation Pty Ltd.

14. **Trade and other receivables**

	30 June 2020		*30 June 2019*	
	Group AUD$	*Company AUD$*	*Group AUD$*	*Company AUD$*
Current:				
Deferred consideration – current	5,000,000	-	-	-
Other receivables	289,987	2,861,742	582,486	180,806
Amounts due from subsidiary company	-	-	-	-
Prepayments	5,000	-	5,000	-
	5,294,987	2,861,742	587,486	180,806
Non-current:				
Deferred consideration – non-current	9,049,774	-	-	-
	9,094,774	-	-	-

The deferred consideration includes AUD$5.0 million and AUD$10.0 million receivable 12 and 24 months, respectively after the date of completion (9 July 2019) of the FJVA with Pantoro, adjusted for the impacts of discounting. The carrying amount approximates the fair value as at 30 June 2020

15. **Cash and cash equivalents**

Cash and cash equivalents as at 30 June 2020 for the Group amounted to AUD$63,312 (30 June 2019: AUD$54,207) and for the Company AUD$91 (2019: AUD$122).

16. Trade and other payables

	30 June 2020		*30 June 2019*	
	Group AUD$	*Company AUD$*	*Group AUD$ (as restated)*	*Company AUD$ (as restated)*
Trade payables	5,356,345	1,311,435	6,568,701	27,915
Other payables	1,313,597	110,000	340,456	100,000
	6,669,942	1,421,435	6,909,157	127,915

17. Provisions for liabilities

Group **Current:**	*Employees Benefits AUD$*	*Rehabilitation and decommissioning AUD$*	*Total AUD$*
At 1 July 2019 (as restated)	49,077	20,512,218	20,561,295
Credit to income statement	(49,077)	(20,512,218)	(20,561,295
As at 30 June 2020	-	-	-

Non-current:	*Employees Benefits AUD$*	*Rehabilitation and decommissioning AUD$*	*Total AUD$*
At 1 July 2019 (as restated)	-	20,512,217	20,512,217
Debit to income statement	-	174,413	174,413
As at 30 June 2020	-	20,686,630	20,686,630

The Directors have considered environmental issues and the need for any necessary provision for the cost of rectifying any environmental disturbance, as might be required under local legislation and the Group's license obligations and have provided the above provisions for any future costs of decommissioning or any environmental disturbance.

The Directors have reviewed the historical information and determined that a prior year adjustment is required in relation to the Provision for Rehabilitation. It has been determined that the historically reported figure is materially misstated. The historically reported figure has been based on the estimated liability as indicated by DMIRS for the purpose of calculation the annual mining rehabilitation levy. The new figure reported is based on the Group's own estimated costs as per the mine closure plan lodged with and approved by the DMIRS on 23 October 2017, with the current year estimated liability adjusted for year on year inflation. The mine closure plan is due to be updated and lodged by Pantoro with DMIRS by 31 December 2020. Resource drilling has been the primary activity performed on site since completion of the 2017 mine closure plan. Rehabilitation has occurred progressively as drilling activity completed. Accordingly, it is not expected that the estimated rehabilitation costs will increase materially upon finalisation of the 2020 mine closure plan.

18. Loans and borrowings

	30 June 2020		*30 June 2019*	
	Group AUD$	*Company AUD$*	*Group AUD$*	*Company AUD$*
Current:				
Pantoro South Pty Ltd – Third Party – Non-interest bearing	-	-	4,142,417	-
Finance facility – Related party	-	-	15,231,012	-
Unpaid Interest on finance facility - Related party	-	-	18,002,275	-
Related party loans – Interest bearing	11,460	-	62,829,416	-
Unpaid Interest on Related party loans	11,380		44,473,908	-
Related party loans – Non-interest bearing	1,889,552	1,694,200	2,070,052	1,874,700
Convertible loan notes – Related party	-	-	10,000,000	10,000,000
Unpaid interest on convertible loan notes – Related party	-	-	7,331,781	7,331,781
	1,912,392	1,694,200	164,080,861	19,206,481

	30 June 2020		*30 June 2019*	
	Group AUD$	*Company AUD$*	*Group AUD$*	*Company AUD$*
Non-current:				
New facility – Related party	59,014,968	-	-	-
Unpaid interest on new facility – Related party	3,131,255	-	-	-
	62,146,223	-	-	-

Related Party Loans - Current

The related party loans are currently unsecured with interest being accrued at a maximum of 11.46% per annum on a monthly compounding basis, or in accordance with original documentation. No interest was paid during the year. These loans were not part of the loan consolidation and interest waiver arrangement as outlined in the Circular to the 2019 AGM.

New Facility Agreement

The New Facility Agreement is a secured facility from Tulla Resources Group Pty Ltd (a related party of Tulla) ("Tulla") to Central Norseman Gold Corporation Pty Ltd ("CNGC") which is guaranteed by the Company.

At a general meeting of the Company held on 31 December 2019 shareholders voted in favour of Resolutions relating to a debt for equity swap and new financing arrangements as part of an overall restructuring of the Company's share capital and rights attaching to its share capital.

In summary, the restructuring involved:

- A debt for equity swap whereby AUD$5.0 million of the Total Indebtedness owing to the Tulla Group was converted to equity;
- The remaining debt under the various facilities was then consolidated into a New Facility Agreement with Tulla as the lender and Central Norseman Gold Corporation Pty Ltd (CNGC) as the borrower;

18. **Loans and borrowings (continued)**

- Tulla then agreed to reduce the Total Outstanding Indebtedness by AUD$80,766,860 through the capitalisation of some of the debt and the waiver of the outstanding interest that had accrued prior to the New Facility Agreement coming into effect on 1 January 2020. This process resulted in Tulla owning approximately 98.82% of the capital in the Company as at that date. It is noted that Tulla has subsequently sold shares, reducing it overall equity position in the Company to 91.9%, as at the date of this report; and
- The total indebtedness owing to Tulla after this restructuring as at 1 January 2020 was AUD$58,198,968.

Key terms of the New Facility Agreement (which is based on the Australian Pacific Loan Market Association standard terms) are as follows:

- Facility limit – AUD$60 million
- Interest - calculated at a rate of 10.5% per annum to be reviewed bi-annually against the current commercial market interest rate and any change to be subject to agreement between the parties.
- Interest – to accrue with effect from 1 January 2020 for the period to 31 December 2020 and only becomes repayable on 31 July 2021
- Repayment – not until 31 July 2021 and if no demand by that date to extend by three calendar months and thereafter on a rolling basis until Tulla demands payment.

The New Security – The New Facility Agreement is secured by CNGC granting a first ranking security in favour of Tulla by an assignment of existing securities and the transfer of the existing mortgages over the tenements (subject to the Pantoro Security and Deed of Priority and Subordination with Pantoro as part of the Pantoro Farm-in and Joint Venture Transaction). The Company has guaranteed the amount owing by its wholly owned subsidiary, CNGC under the New Facility Agreement.

Tulla is a related party.

All financing agreements and the Convertible Loan terminated upon the New Facility Agreement coming into effect on 1 January 2020, although the existing security was assigned to Tulla as first ranking security in respect to the New Facility.

19. **Share capital**

	30 June 2020	*30 June 2019*
	£	*£*
Allotted, called up and fully paid		
Ordinary shares of £0.0125 each	-	13,965,028
New ordinary shares of £0.00003827 each	2,671,485	-
Deferred shares of £0.01246173 each	13,922,273	-
	16,593,758	13,965,028
	=========	=========
	AUD$	*AUD$*
Allotted, called up and fully paid		
Ordinary shares of £0.0125 each	-	22,948,180
New ordinary shares of £0.00003827 each	5,070,258	-
Deferred shares of £0.01246173 each	22,877,922	-
	27,948,180	22,948,180
	=========	=========

19. **Share capital (cont.)**

Movement in issued and fully paid capital and share premium reserve	*Number*	*Issued and fully paid capital £*	*Share premium reserve £*	*Issued and fully paid capital AUD$*	*Share premium reserve AUD$*
Total as at 30 June 2019	1,117,202,223	13,965,028	75,658,738	22,948,180	143,086,801
New shares issued	68,689,051,476	2,628,730	75,658,738	5,000,000	143,086,801
Total as at 30 June 2020	69,806,253,699	16,593,758	75,658,738	27,948,180	143,086,801

The New ordinary shares rank *pari passu* in all respects including the right to receive all dividends and other distributions declared, made or paid.

At the date of the creation of the new ordinary shares existing shareholders received one Deferred Share of £0.01246173 each for each ordinary share in the capital of the Company

The Deferred Shares have the following rights:

- No dividends or entitlement to any other distribution;
- No entitlement to receive any Notice or attend or vote at ant general meeting of the Company;
- On a return of capital on a winding up only entitled to receive the amount paid up on each Deferred Share after the ordinary shares have received the sum of £1,000,000 for each ordinary share and then no other rights to participate in the assets of the Company

20. **Financial instruments**

Interest Rate Risk
At 30 June 2020, the Group had Australian Dollar cash deposits of AUD$63,312 (30 June 2019: AUD$54,207). The Company'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 on classes of financial assets and financial liabilities, was as follows:

	Floating interest rate 30 June 2020 AUD$	*Non - Interest Bearing 30 June 2020 AUD$*	*Floating interest rate 30 June 2019 AUD$*	*Non - Interest Bearing 30 June 2019 AUD$*
Financial assets:				
Cash at bank and in hand	63,312	-	54,207	-
	=========	=========	=========	=========

The effective weighted average interest rate was 0.01% (30 June 2019: 0.01%).

Net Fair Value
The net fair value of financial assets and financial liabilities approximates to their carrying amount as disclosed in the balance sheet and in the related notes.

Currency Risk
The functional currency for the Group's operating activities is the Australian Dollar. The Group's objective in managing currency exposures arising from its net investment overseas is to maintain a low level of borrowings. The Group has not hedged against currency depreciation but continues to keep the matter under review.

20. Financial instruments (cont.)

Financial Risk Management
The Directors have recognised that this is an area in which they needed to develop specific policies should the Group become exposed to further financial risks as the business develops. A Financial Risk Management Policy was adopted and implemented in May 2010.

Credit Risk
The entity's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the balance sheet. The Group trades only with recognised, credit worthy third parties.

Price Risk
The Group has an exposure to commodity price risk. The Group has not hedged against this risk but continues to keep the matter under review in line with its Financial Risk Management Policy.

21. Exploration expenditure commitments

	30 June 2020		*30 June 2019*	
	Group	*Company*	*Group*	*Company*
	AUD$	*AUD$*	*AUD$*	*AUD$*
As at the balance sheet date the aggregate amount payable is:				
Within not more than one year	5,748,280	-	5,716,480	-

The tenements comprise one consolidated project; C11/1995. Under the terms of each tenement, the tenement holder is required to meet minimum annual expenditure commitments pursuant to the terms of the licence conditions. Upon completion of the Pantoro Transaction on 9 July 2019 the obligation to meet the exploration expenditure commitment passed to Pantoro for the period of Sole Funding Period. Upon completion of the Sole Funding Period, the Joint Venture with Pantoro will commence and CNGC will be liable for 50% of this balance in accordance with the terms of the FJVA. Notwithstanding this, the tenements will require this gross annual expenditure to ensure they are maintained in good standing.

22. Related party transactions

The Key management of the Group comprises the Directors of the Company. The remuneration paid or accrued to the Directors, in accordance with the service contracts which include payments made to entities associated with the Directors, during the year ended 30 June 2020, was as follows:

	Note	*Fees/Salaries*	*Share based payments*	*2020 Total*	*2019 Total*
		AUD$	*AUD$*	*AUD$*	*AUD$*
Kevin Maloney		-	-	-	-
David Steinepreis		$36,000	-	$36,000	$60,000
Fred Kempson		$39,000	-	$39,000	-
Totals		$75,000	-	$75,000	$60,000

22. **Related party transactions (cont.)**

Other transactions with related parties:

- the loans and borrowings balance includes an amount owing to Ascent Capital, a Company connected with Gary Steinepreis, a former Director of Norseman Gold Plc
- CNGC is indebted to Tulla, a company associated with Kevin Maloney pursuant to the New Facility Agreement. This indebtedness is secured by CNGC and guaranteed by the Company. Tulla Group Pty Ltd, a company associated with Kevin Maloney, has paid invoices on behalf of the Group and these invoices have been recharged to the Group at cost, with no administration or mark-up fee.
- CNGC pays the insurance and registration costs in relation to two (2) prime movers (trucks) owned by JLM Transport & Logistics Pty Ltd (JLM), a company associated with Kevin Maloney. This equipment is on-site and available to meet the haulage needs of CNGC on a daily hire basis. There is no charge for downtime. No hire fees were paid by CNGC to JLM in the financial year.
- Resource Accommodation Management Pty Ltd (RAM), a company associated with Kevin Maloney manages and operates the residential camp on-site and the houses which CNGC owns for the provision of accommodation services to Pantoro South Pty Ltd employees and contractors, at cost. There is no fee payable by RAM to CNGC.

23. Net cash flows from operating activities

Group	*Year ended 30 June 2020 AUD$*	*Year ended 30 June 2019 AUD$*
Group operating profit	43,052,445	10,205,444
Adjustments for items not requiring an outlay of funds:		
Depreciation and impairment	-	-
Exploration expenditure written off	-	2,255,330
Exploration impairment reversal	-	(18,393,597)
Profit on sale of assets	(44,325,265)	-
Provision for rehabilitation costs	174,413	643,860
Net cash outflow before changes in working capital	(1,098,407)	(5,288,963)
Decrease in inventories	-	159,437
Decrease / (Increase) in receivables and prepayments	292,499	(398,626)
(Decrease) / increase in payables	(239,215)	130,200
(Decrease) in provisions for liabilities	(49,077)	(39,065)
Net cash outflow from operations	(1,094,200)	(5,437,017)
Interest received	123	390
Net cash outflow from operating activities	(1,094,077)	(5,436,627)

23. **Net cash flows from operating activities (continued)**

Company	*Year ended 30 June 2020 AUD$*	*Year ended 30 June 2019 AUD$*
Operating profit including impairment charges	20,378,833	416,358
Intercompany loan (write back) / provision	(20,251,468)	113,140
Net cash outflow before changes in working capital	127,365	529,498
Increase in receivables and prepayments	(2,680,936)	(180,567)
Increase/(decrease) in trade and other payables	1,293,520	(196,068)
Decrease in related party loans	(180,500)	(40,000)
Net cash (outflow) / inflow from operations	(1,440,551)	112,853
Interest received	-	10
Net cash (outflow)/ inflow from operating activities	(1,440,551)	112,863

24. **Control**

The Company is under the control of its shareholders and not any one party but note that the Company has continued its operations with the financial support of Tulla Resources Group Pty Limited (Tulla Group), who is also the largest shareholder.

25. **Contingent liabilities**

Prosecution

On 20 March 2020 Magistrate A D Hills-Wright of the Kalgoorlie Magistrates Court handed down its Decision in relation to the prosecution commenced by the Department of Mines, Industry, Regulation & Safety (DMIRS) against CNGC in August 2018 in relation to the excavator incident in the North Royal open pit in August 2015. The Magistrate acquitted CNGC at trial and ordered DMIRS to pay CNGC's costs. DMIRs has appealed this Decision. CNGC may incur legal costs of $30,000 to $40,000 in respect to the appeal. If the appeal is unsuccessful CNGC is likely to an order that DMIRS pay its costs (to be agreed or assessed) together with the costs of the initial hearing. If the appeal is successful the maximum fine that the Court can impose on CNGC is AUD$250,000, plus DMIRS's legal costs.

On 8 February 2018 there was a serious electrical incident on site. Energy Safe and DMIRS conducted a criminal investigation and there is the potential of a criminal prosecution to be brought against CNGC prior to the expiry of the limitation period on 7 February 2021. While no prosecution has been commenced, if a Prosecution Notice is served CNGC may be liable for a potential fine of $500,000 and costs estimated at up to $200,000.

26. Subsequent events

The following events have occurred subsequent to 30 June 2020:

- on 9 July 2020 Pantoro paid the deferred cash consideration of AUD$5 million to CNGC due pursuant to the terms of the farm-in and joint venture agreement entered into with Pantoro South Pty Ltd on 14 May 2019.
- On 12 October 2020 Pantoro released a definitive feasibility study and an updated JORC Statement in relation to the Norseman Gold Project to the ASX.
- The Independent Directors of the Company have been in discussions with Tulla Group in relation to the funding of the unincorporated joint venture with Pantoro that will come into existence once Pantoro has expended its initial $50 million into the Norseman Gold Project and the Sole Funding Period comes to an end. The Company is contemplating a relisting of the Company which Tulla Group has indicated that it would support a capital listing (subject to any third party offer for Tulla Group's shares or CNGC's 50% interest in the Norseman Gold Project). The Company has retained lawyers and brokers to progress a listing of the Company on the ASX.
- In parallel to a potential listing of the Company, the Company has retained Treadstone Capital to advise on a potential sale of its 50% interest in the Norseman Gold Project.

27. Prior Year Restatement

During the year ended 30 June 2020 it was identified that the historical reporting of the following balances were understated.

- Provision for rehabilitation; and
- Trade and other payables

The Balance Sheet presented for the year ended 30 June 2018 and 30 June 2019 was incorrectly reported as a result of the incorrect reporting of both items. The figures that have been restated are as follows:

Group	*Reported AUD$*	*Restated AUD$*	*Historical Understatement AUD$*
Trade and other payables – as at 30 June 2018	6,678,957	6,778,957	(100,000)
Non-Current - Provision for liabilities – as at 30 June 2018	21,084,506	40,428,644	(19,344,138)
Retained losses – as at 30 June 2018	(334,163,378)	(353,607,516)	19,444,138
Shareholders equity – as at 30 June 2018	(168,128,397)	(187,572,535)	19,444,138
Trade and other payables – as at 30 June 2019	6,809,157	6,909,157	(100,000)
Disposal group liabilities – rehabilitation provisions – as at 30 June 2019	10,797,165	20,512,218	(9,715,053)
Non-Current - Provision for liabilities – as at 30 June 2019	10,797,164	20,512,217	(9,715,053)
Retained Losses – as at 30 June 2019	(339,533,115)	(359,063,221)	19,530,106
Shareholders Equity – as at 30 June 2019	(173,498,134)	(193,028,240)	19,530,106

27. **Prior Year Restatement (cont.)**

Company	*Reported AUD$*	*Restated AUD$*	*Historical Understatement AUD$*
Trade and other payables – as at 30 June 2018	223,983	323,983	(100,000)
Retained losses – as at 30 June 2018	(184,504,807)	(184,604,807)	100,000
Shareholders equity – as at 30 June 2018	(18,469,826)	(18,569,826)	100,000
Trade and other payables – as at 30 June 2019	27,915	127,915	(100,000)
Retained Losses – as at 30 June 2019	(185,088,449)	(185,188,449)	100,000
Shareholders Equity – as at 30 June 2019	(19,053,468)	(19,153,468)	100,000

The Statement of Comprehensive Income for the year ended 30 June 2019 was incorrectly reported as a result of the incorrect reporting of the Provision for Rehabilitation as at 30 June 2018 and 30 June 2019, with the Rehabilitation costs – write back figure reported incorrectly

Group	*Reported AUD$*	*Restated AUD$*	*Historical Understatement AUD$*
Rehabilitation costs - write back – for the year ended 30 June 2019	(557,892)	(643,860)	(85,968)
Total comprehensive loss attributable to equity holders of the Company – for the year ended 30 June 2019	(5,369,737)	(5,455,705)	(85,968)