GOLD50

Financial Statements
For the period ended 31 December 2020

Directors' Report

The Board of Gold 50 Pty Ltd presents this report together with the consolidated financial statements of Gold 50 Pty Limited ('Gold 50' or the 'Company') and its controlled entities (collectively the Group) for the period ended 31 December 2020 and the Auditor's report thereon.

Operating and financial review

The operating and financial review forms part of the Directors' Report although not prescribed by, has been prepared in accordance with section 299A of the Corporations Act 2001 (Cth). The information provided aims to assist users better understand the operations and financial position of the Group.

The principal activity of the Group is the exploration and future development of 4 recently acquired gold properties in Arizona and Nevada, United States of America.

Highlights of the financial period ended 31 December 2020

- Gold 50 and its subsidiaries in the USA were incorporated.
- The Company was formed to explore for precious metals in the USA.
- An initial portfolio of projects in Nevada and Arizona were acquired.
- Gold 50 issued equity to raise a total of $1.5m to fund the Company's activities.

Summary of performance and financial position

Since the company's incorporation in October 2020, the Company has raised approximately $1.5m through issuing shares. These funds have been primarily used to secure four exploration properties in the USA, with approximately $640k capitalised as an exploration and evaluation asset. The Company holds cash reserves of $730k as at 31 December 2020.

The results for the operating period from inception, 12 October 2020 and the end of the reporting period of 31 December 2020 is an operating loss of $20,760, representing company set-up and administrative expenditure.

During the period, Gold 50 acquired four properties prospective for gold in Nevada and Arizona, which have long been very favourable jurisdictions for mineral exploration and mining. A Fraser Institute survey released in February 2021, rated Nevada and Arizona the top two jurisdictions in the world for both overall investment attractiveness and mineral potential. Nevada's favourable rating is supported by over six million ounces of annual gold production.

Located in northwestern Arizona, Gold 50's flagship Golconda Project covers numerous well-developed mineralised veins and untested structures immediately southeast of the Mineral Park porphyry copper-molybdenum deposit. The Golconda Mine was once Arizona's largest zinc-lead mine (c. 1907) with high gold-silver grades and ultimately mined to a depth of approximately 400m. The precious metals potential of the Golconda Project area has never been systematically tested with only very limited exploration in the last 30 years.

Gold 50's Spitfire, Broken Hills and Top Gun Projects are located in central Nevada. These projects have each had limited small-scale mining and modern exploration. The Spitfire Project is targeting intrusion related gold mineralisation. The Broken Hills and Top Gun Projects are targeting epithermal gold-silver mineralisation similar to the nearby:

- Rawhide Mine which has produced 1.7 million ounces of gold to date; and
- Paradise Peak Mine which produced 1.6 million ounces of gold.

Gold 50 plans to undertake a systematic program of data compilation, geological mapping, surface sampling and geophysics to rapidly define drill targets at all of these projects.

Business strategy

The Company's proposed business model is to build a profitable mining and exploration business by commercialising its Projects, commencing with the discovery and identification of economically viable mineral resources through to advanced mining assessment and development.

Gold 50 plans to systematically explore its Golconda Project in Arizona and its various projects in Nevada.

The Company will also continue to evaluate new acquisition opportunities, both by tenement application and commercial acquisitions, to maintain a pipeline of projects.

Material business risks

The following material business risks have been identified as key issues that have the potential to impact the Company's performance:

- The Company is reliant on several key personnel and consultants, including members of the Board. The loss of one or more of these key contributors could have an adverse effect on Gold 50 at this early stage of development, particularly as finding an effective replacement may be difficult.
- Gold 50's ongoing activities are likely to require substantial further funding.
- Mineral exploration and development is a high-risk undertaking. There can be no assurance that exploration of Gold 50's exploration properties will result in the discovery of an economic resource.
- Gold 50 could lose title to, or its interest in, the mining claims (or any additional mining claims, permits or other interests acquired by Gold 50 in the future) if the conditions attaching to the claim or permit are not satisfied.
- Sovereign risk relating to the expected fiscal, tax and regulatory environment in jurisdictions that Gold 50 does business.
- Failure to maintain the Company's social licence to operate by proactively engaging communities, regulators and other key stakeholders.
- Possible litigation risks including tenure disputes, environmental claims, occupational health and safety claims and employee claims.
- COVID-19 has significantly increased uncertainty in markets.

Impact of COVID-19

The outbreak of COVID-19 is having a material effect on global economic markets. The global economic outlook is facing uncertainty due to the pandemic, which has had and may continue to have a significant impact on capital markets.

Further measures to limit the transmission of the virus implemented by governments around the world (such as travel bans and quarantining) may adversely impact the Company's operations and may interrupt the Company carrying out its contractual obligations or cause disruptions to supply chains.

Directors qualification and experience

Mr Bernard Rowe was the sole director of Gold 50 Pty Ltd since inception of the Company in October 2020 through to the appointment of Robert Reynolds on 15 February 2021. His qualifications and experience are:

Mr Bernard Rowe
Director
BAppSc (Geology) (Hons)

Bernard held the position of sole director for the Company since its inception in October 2020. Rowe has more than 30 years' international experience in mineral exploration and mine development. His diverse mineral industry experience includes gold, copper, zinc, diamond, lithium and boron exploration in Australia, Europe, Africa, North America and South America.

He is the founder and Managing Director of ioneer Ltd which is progressing the Rhyolite Ridge Lithium-Boron Project in Nevada towards development. Prior to acquiring Rhyolite Ridge in 2016, Mr Rowe identified exploration properties that attracted funding from Osisko for a Nevada gold property in 2012 and Antofagasta for an Arizona copper property in 2013.

Mr Rowe is a member of the Australian Institute of Geoscientists, the Society of Economic Geologist and the Geological Society of Nevada.

Mr Robert Reynolds
Director
CA, MAICD

Robert joined the Board as a Company director in February 2021.

A Chartered Accountant with over 35 years' commercial experience in the mining sector, Mr Reynolds has worked on mining projects in a number of locations including Australia, Africa and across the Oceania region.

Mr Reynolds was Non-Executive Chairman of Avoca Resources Ltd from 2002 until it merged with Anatolia Minerals to form Alacer Gold Corp in 2011, and Mr Reynolds was Non-Executive Chairman of Alacer Gold Corp until 23 August 2011.

Mr Reynolds was a long-term director of Delta Gold Limited and was a Director of Extorre Gold Mines Limited when it was acquired by Yamana Gold in August 2012 and Exeter Resource Corporation when it was acquired by Goldcorp Inc in August 2017.

Mr Reynolds is currently a Non-Executive Director of Dacian Gold Limited and Rugby Mining Limited.

Mark Wallace
Managing Director

Mark joined the Board as a Company director on 19 April 2021.

Mr Wallace is a finance professional with a background in economics and finance. He has spent almost 20 years working for both major and boutique Investment Banks specialising in the Global Materials and Energy sectors.

He spent the bulk of his career in London and Sydney identifying, advising and financing early stage and pre development mining and energy companies.

Mr Wallace holds a Bachelor of Business from Edith Cowen University and is currently a Non-Executive Director of Renegade Exploration Limited.

Company secretary

Mr Bruce Wrigley
B.Com (Accounting)

Bruce has held the position of Company Secretary since the Company's inception in October 2020.

Company secretary

Bruce is responsible for the finance and company secretarial functions of the company. He has more than 25 years of international resource sector experience.

Directors' interests in shares and options

Directors' interests in shares and options as at 31 December 2020 and at the date of this report are set out in the table below:

Director	Shares held As at 31 December 2020	Shares held At report date
B Rowe	13,000,000	10,900,000
R Reynolds	500,000	500,000

No options have been issued as at 31 December 2020 and at the date of this report.

Directors' meetings

No formal director's meetings have been held in the period from inception to the date of this report.

Significant changes in state of affairs

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

Likely developments and expected results of operations

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Indemnification and insurance of directors and officers

Indemnification
The Company has not, during or since the end of the financial period, in respect of any person who is or has been an officer of the Company or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

Insurance premiums
During the financial period the Company has paid no premiums to insure each of the directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The Company plans to put such insurance in place at the appropriate time.

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, BDJ, as part of the terms of the audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify BDJ during or since the financial period.

Remuneration report

A remuneration report has not been included in this Directors report as no benefits have been awarded to any Directors or Key Management Personnel (KMP) during the period ended 31 December 2020.

Dividends

No dividend has been proposed or paid since inception.

Shares – issued and unissued

	31 December 2020 Number
Issued shares	**49,000,000**

Environmental performance

The Group holds unpatented mining claims and prospecting permits issued by the State of Arizona that have been issued by the relevant government authorities which specify guidelines for environmental impacts in relation to exploration activities. The conditions of these claims and permits provide for the full rehabilitation of the areas of exploration in accordance with regulatory guidelines and standards. There have been no known breaches of these conditions.

Audit and non-audit services

The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. There were no non-audit services provided during the current financial period.

Auditor's independence declaration

A copy of the auditor's independence declaration forms part of this report and is set out on page 7.

Matters subsequent to the end of the financial period

Other than where stated at Note 9.5 to the Financial Statements, there were at the date of this report no matters or circumstances which have arisen since 31 December 2020 that have significantly affected or may significantly affect:

- the operations of the Company,
- the results of those operations, or
- the state of affairs of the Company.

Signed at Sydney this 20th day of April 2021 in accordance with a resolution of the Company.

Bernard Rowe
Director

Mark Wallace
Director

Auditor's Independence Declaration

To the Directors of Gold 50 Pty Ltd

As engagement partner for the audit of Gold 50 Pty Ltd for the period ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and

ii) no contraventions of any applicable code of professional conduct in relation to the audit.

BDJ Partners

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Gregory Cliffe

Partner

15 April 2021

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Financial solutions made simple

Consolidated statement of profit and loss and other comprehensive income

For the period ended 31 December 2020

	Note	31-Dec 2020 $
Other expenses		**(7,643)**
Results from operating activities		**(7,643)**
Finance income	2.2	**3**
Finance costs	2.2	**(13,120)**
Net finance costs	2.2	**(13,117)**
Loss before tax		**(20,760)**
Income tax expense	3.1	**-**
Loss for the period		**(20,760)**
Loss attributable to equity holders of the company		**(20,760)**

Items that may be reclassified subsequently to profit and loss	
Foreign currency translation difference on foreign operations	**(31,265)**
Other comprehensive income (net of tax)	**(31,265)**
Total comprehensive profit / (loss) for the period	**(52,025)**
Total comprehensive income / (loss) attributable to the owners of the company	**(52,025)**

Earnings per share		2020 Cents
Basic loss per ordinary share	2.3	**(0.049)**
Diluted loss per ordinary share	2.3	**(0.049)**

The consolidated statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 31 December 2020

	Note	31-Dec 2020 $
Current assets		
Cash assets	4.1	**731,588**
Receivables	4.2	**4,809**
Total current assets		**736,397**
Non-current assets		
Receivables	4.2	**3,881**
Exploration and evaluation expenditure	4.3	**646,989**
Total non-current assets		**650,870**
Total assets		**1,387,267**
Current liabilities		
Payables	4.4	**5,433**
Total current liabilities		**5,433**
Total liabilities		**5,433**
Net assets		**1,381,834**
Equity		
Contributed equity	5.1	**1,433,859**
Reserves	5.2	**(31,265)**
Accumulated losses		**(20,760)**
Total equity		**1,381,834**

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the period ended 31 December 2020

	Note	2020 $
Cash flows from operating activities		
Payment to suppliers and employees		**(12,735)**
Net cash flows used in operating activities	4.1	**(12,735)**
Cash flows from investing activities		
Expenditure on mining exploration	4.3	**(672,821)**
Payments for bonds		**(3,881)**
Interest received		**3**
Net cash flows used in investing activities		**(676,699)**
Cash flows from financing activities		
Proceeds from the issue of shares	5.1	**1,480,000**
Equity raising expenses	5.1	**(46,141)**
Net cash flows received from financing activities		**1,433,859**
Net increase (decrease) in cash held		**744,425**
Cash at the beginning of the financial period		-
Effect of exchange rate fluctuations on balances of cash held in USD		**(12,837)**
Closing cash carried forward	4.1	**731,588**

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the period ended 31 December 2020

	Note	Issued capital $	Foreign currency translation reserve $	Accumulated losses $	Total equity $
As at 12 October 2020		-	-	-	-
Loss for the period ended 31 December 2020		-	-	(20,760)	(20,760)
Other comprehensive income					
Foreign currency translation differences on foreign operations		-	(31,265)	-	(31,265)
Total other comprehensive income		-	(31,265)	-	(31,265)
Total comprehensive income for the period		-	(31,265)	(20,760)	(52,025)
Issue of share capital					
Ordinary shares cash	5.1	1,480,000	-	-	1,480,000
Share issue costs	5.1	(46,141)	-	-	(46,141)
As at 31 December 2020		1,433,859	(31,265)	(20,760)	1,381,834

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to and forming part of the financial statements

Section 1. Basis of preparation

1.1. Reporting entity

The financial report of Gold 50 Pty Ltd for the period ended 31 December 2020 was authorised for issue in accordance with a resolution of the Directors on 20 April 2021.

Gold 50 Pty Ltd is a for profit proprietary company limited by shares and incorporated in Australia. The registered office of the Company is suite 5.03, 140 Arthur Street, North Sydney, NSW 2060 Australia.

The Company is principally engaged in the exploration and future development of recently acquired gold properties in the states of Arizona and Nevada, USA. Further information about the nature of the Group's operations and activities is provided in the directors' report. Information on the group structure is set out in Section 8 of this report and information on other related party disclosures of the Group is provided in Section 9.

1.2. Basis of preparation

- The financial report is a general-purpose financial report, which has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and although not prescribed by, have been prepared in accordance with the Corporations Act 2001, as appropriate for for-profit oriented entities. The financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').
- These accounts have been prepared for the inclusion in the Company's prospectus being prepared to support the Company's proposed initial public offering ("IPO") on the Australian Stock Exchange
- These financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ('IASB'), including new or amended accounting standards effective for reporting periods beginning 1 July 2019.
- Unless otherwise stated, the accounting policies disclosed have been consistently applied.
- The financial report has been prepared on an accruals basis and are based on historic cost.
- The financial statements have been presented in Australian dollars which is the parent entity's functional currency.
- The financial statements have been prepared on the going concern basis which assumes the company and the Group will have sufficient cash to pay its debts as and when they become payable for a period of at least 12 months from the date the financial report was authorised for issue.

1.3. New and amended accounting standards and interpretations

The following standards and interpretations which became effective and were applied for the first time during the year ended 30 June 2021 were assessed to have no material impact on the Group's consolidated financial statements and disclosures:

AASB interpretation 23 – Uncertainty over income tax treatments	Clarification on accounting income tax treatments that have yet to be accepted by tax authorities.

Several other standard amendments and interpretations were applicable for the first time from 1 July 2020, but were not relevant to the Group and does not impact the Group's consolidated financial statements.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

1.4. Basis of consolidation

Controlled entities

Controlled entities are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly to govern the financial and operating policies of an entity so as to obtain benefits from its operations. The financial statements of controlled entities are included in the consolidated financial statements from the date control commences until the date that control ceases. There has been no change in the control of any subsidiaries during the financial period. All subsidiaries are 100% owned by the Company.

Transactions eliminated on consolidation

All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full.

Notes to and forming part of the financial statements

Accounting polices

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

1.5. Critical accounting estimates and judgements

The preparation of these financial statements in conformity with Australian Accounting Standards has required management to make judgements, estimates and assumptions which impact the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical knowledge and various other factors that are believed to be reasonable in the circumstance. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed regularly and revisions to accounting estimates are reviewed in the period in which the estimate is revised. The most significant estimates and assumptions which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to:

Exploration and evaluation assets

The Group's policy for exploration and evaluation expenditure is set out in note 4.3. The application of this policy requires certain judgements, estimates and assumptions as to the future events and circumstances, in particular the assessment of whether economic quantities of reserves will be found. Any such estimates and assumptions may change as new information becomes available. If, after capitalisation of expenditure under the policy, it is concluded that the capitalised expenditure will not be recovered by future exploitation or sale, then the relevant amount will be written off in the statement of profit or loss. Changes in assumptions may result in a material adjustment to the carrying amount of exploration and evaluation assets.

1.6. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates.

The functional currency of Gold 50 Pty Ltd is Australian Dollars, with Gold 50 US Inc. having a functional currency of United States Dollars.

The consolidated financial statements continue to be presented in Australian dollars, which is the parent entity's functional currency.

Transactions and balances

Foreign currency transactions are translated at the foreign exchange rate at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency at the end of the reporting period are translated at the year-end exchange rate. Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates at the dates the fair value was determine.

Presentation of foreign exchange gains and losses in the statement of profit or loss

The Group presents its foreign exchange gains and losses within net financing income /expense in the statement of profit or loss.

Notes to and forming part of the financial statements

Section 2. Financial performance

2.1. Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Directors are considered to be the CODM and are empowered by the shareholders to allocate resources and assess the performance of the Group.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Description of segments

The Company operates predominantly as a mineral exploration and development company. The operating segments are based on the reports reviewed by the Directors for assessing performance and determining the allocation of resources and strategic decision making within the Group.

North America	Represents activity in the US, primarily in relation to the exploration assets.
Australia	Represents head office expenditure, including corporate costs, exchange gains and losses and corporate assets (predominantly cash).

Segment information provided to the CODM:

Segment information	North America 2020 $	Australia 2020 $	Total 2020 $
Other expenses	**(4,671)**	**(2,972)**	**(7,643)**
Net financing (expense) / income	**(225)**	**(12,892)**	**(13,117)**
Net loss before income tax	**(4,896)**	**(15,864)**	**(20,760)**
Segment assets			
Exploration assets	**646,989**	**-**	**646,989**
Other assets	**45,937**	**694,341**	**740,278**
Total assets	**692,926**	**694,341**	**1,387,267**
Segment liabilities			
Payables	**5,433**	**-**	**5,433**
Total current liabilities	**5,433**		**5,433**
Total liabilities	**5,433**		**5,433**
Net assets	687,493	694,341	1,381,834

Major customers

The Company has no customers and nil revenues.

2.2. Net finance income

	31 December 2020 $
Interest income	3
Finance income	3
Bank charges	(283)
Net foreign exchange loss	(12,837)
Finance expense	(13,120)
Net finance costs	**(13,117)**

Interest income is recorded at the effective interest rate applicable to the financial instrument. Interest is recognised as it accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

2.3. Earnings per share

	31 December 2020 $
Earnings used in calculating earnings per share	
Basic and diluted loss	**(20,760)**
Weighted average number of ordinary shares used as the denominator	Number
Issued ordinary shares - opening balance	**0**
Effect of shares issued	**42,425,000**
Weighted average number of ordinary shares	**42,425,000**
Weighted average number of ordinary shares (diluted)	
Weighted average number of ordinary shares at 31 December for basic EPS	**42,425,000**
Effect of dilution from options and rights on issue	**0**
Weighted average number of ordinary shares adjusted for effect of dilution	**42,425,000**

	Cents
Basic loss per share attributable to the ordinary equity holders of the company	**(0.049)**
Diluted loss per share attributable to the ordinary equity holders of the company	**(0.049)**

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. The impact the potential ordinary shares is treated as dilutive only when their conversion to ordinary shares would decrease EPS.

Section 3. Taxation

3.1. Taxation

	31 December 2020 $
Tax expense comprises:	
Income tax	
Current tax benefit / (expense)	-
Tax expense related to movements in deferred tax balances	-
Total tax (expense) / benefit	-
Numerical reconciliation between tax (expense) / benefit and pre-tax net result:	
Profit /(Loss) before tax	**(20,760)**
Prima facie taxation benefit at 30%	**(6,228)**
Decrease / (increase) in income tax benefit due to:	
Non-deductible expenses	
Foreign exchange and other translation adjustments	**3,927**
Additional tax deductible expenditure	
Un-recognised tax losses relating to current period	**2,301**
Adjustments for prior years	
Income tax (expense) / benefit	-

No provision for income tax is considered necessary in respect of the Company for the period ended 31 December 2020. No recognition has been given to any future income tax benefit which may arise from operating losses not claimed for tax purposes. The Group has estimated tax loss positions across the group.

These amounts will only be obtained if:

- the Company and Controlled Entity derive future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised,
- the Company and Controlled Entity continue to comply with the conditions for deductibility imposed by the law, and
- no changes in tax legislation adversely affect the Company and Controlled Entity in realising the benefit from the deductions for the losses, i.e. current tax legislation permits carried forward tax losses to be carried forward indefinitely.

Gold 50 Pty Ltd is not part of an Australian tax-consolidated group. Current and deferred tax amounts (if any) are measured as a stand-alone taxpayer. There are no tax funding arrangements or tax sharing agreements in place.

The group has additional tax value embedded in the US exploration assets. Future deductibility is expected against anticipated assessable income from the Projects once in production.

Notes to and forming part of the financial statements

Section 4. Invested and working capital

4.1. Cash assets

	31 December 2020 $
Cash at bank	**731,588**
Total cash assets	**731,588**
Cash flow reconciliation	
Reconciliation of net cash outflow from operating activities to operating loss after tax	
Loss for the period	**(20,760)**
Adjustments to reconcile profit to net cash flows:	
Net foreign exchange differences	**12,837**
Interest income	**(3)**
Change in assets and liabilities during the financial period:	
Increase in trade and other receivables	**(4,809)**
Net cash used in operating activities	**(12,735)**

Cash assets in the consolidated statement of financial position comprise cash at bank.

4.2. Receivables

Current	
Other debtors	**4,809**
Total current trade and other receivables	**4,809**
Non-current	
Other debtors	**3,881**
Total non-current trade and other receivables	**3,881**
Total current and non-current trade and other receivables	**8,690**

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method less provision for impairment. Impairment losses are recognised in the profit and loss.

4.3. Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest.

Exploration and evaluation costs in relation to separate areas of interest for which rights of tenure are current are brought to account in the year in which they are incurred and carried forward provided that:

- such costs are expected to be recouped through successful development and exploitation of the area, or alternatively through its sale; or
- exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Once a development decision has been taken, all past and future exploration and evaluation assets in respect of the area of interest are tested for impairment and transferred to the cost of development. To date, no development decision has been made.

The Directors assess at each reporting date whether there is an indication that an asset has been impaired and for exploration and evaluation costs carried forward whether the above carry forward criteria are met. No indicator of impairment has been identified as at 31 December 2020.

When the above criteria do not apply or when the Directors assess that the carrying value may exceed the recoverable amount the accumulated costs in respect of areas of interest are written off in the Statement of profit and loss and other comprehensive income.

	31 December 2020 $
Exploration and evaluation expenditure	**646,989**
Reconciliation of movement	
Opening balance	**-**
Additions	**678,254**
Foreign exchange translation difference	**(31,265)**
Carrying amount at the end of the financial period	**646,989**

The above amounts represent costs of areas of interest carried forward as an asset in accordance with the accounting policy described above. The ultimate recoupment of exploration and evaluation expenditure in respect of an area of interest carried forward is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively sale of the underlying areas of interest for at least their carrying value. Amortisation, in respect of the relevant area of interest, is not charged until a mining operation has commenced.

4.4. Payables

Total current payables	**5,433**

All financial liabilities are recognised initially at fair value net of directly attributable transaction costs.

After initial measurement, financial liabilities are subsequently measured at amortised cost. Current payables, other than lease liabilities, due to their short-term nature are measured at amortised cost and are not discounted.

The current payables, other than lease liabilities, are unsecured and are non-interest bearing generally on 30-60 day terms. The carrying amounts approximate fair value.

Notes to and forming part of the financial statements

Section 5. Capital structure

5.1. Share capital

Ordinary shares

	31 December 2020 $
49,000,000 ordinary shares, fully paid	**1,433,859**

Reconciliation of movement:	Period ended 31 December 2020 Number	Period ended 31 December 2020 $
Balance at the beginning of the financial period	-	-
Ordinary shares	**49,000,000**	**1,480,000**
Share issue costs	-	**(46,141)**
Balance at the end of the financial period	**49,000,000**	**1,433,859**

Ordinary shares are classified as equity. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company. They have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group is not subject to any externally imposed capital requirements.

During the period ended 31 December 2020 the Company issued:

- 39,000,000 shares to the initial investors in October 2020.
- 10,000,000 shares to the Pre-IPO investors in November 2020.

5.2. Reserves

	31 December 2020 $
Foreign currency translation reserve	
Balance at the beginning of period	-
Foreign currency translation differences for foreign operations	**(31,265)**
Balance at the end of the financial period	**(31,265)**
Total reserves	**(31,265)**

The foreign currency translation reserve comprises all foreign exchange differences arising from the following:

- The translation of the financial statements of foreign operations where the functional currency is different to the functional currency of the parent entity; and
- Exchange differences arise on the translation of monetary items which form part of the net investment in the foreign operation.

Section 6. Financial instruments

6.1. Classification and measurement

The carrying values of financial assets and liabilities of the Group approximate their fair value.

The Group measures and recognises in the statement of financial position on a recurring basis certain assets and liabilities at fair value in accordance with AASB 13 Fair value measurement. The fair value must be estimated for recognition and measurement or for disclosure purposes in accordance with the following hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
Level 3: Inputs for the asset or liabilities which are not based on observable market data (unobservable inputs).

The Group has no financial assets where the carrying amount exceeds net fair values at balance date. The Group's receivables at balance date are detailed in Section 4.2 of this report.

6.2. Financial risk management

Framework

The Group is involved in activities that expose it to a variety of financial risks including:

a) Credit risk
b) Liquidity risk
c) Capital management risk
d) Market risk related to commodity pricing, interest rates and currency fluctuations.

The Board of Directors has overall responsibility for the establishment and oversight of the financial risk management framework of the Group. Management is responsible for monitoring the financial risks.

The objective of the financial risk management strategy is to minimise the impact of volatility in financial markets on the financial performance, cash flows and shareholder returns. This requires the identification and analysis of relevant financial risks and possible impact on the achievement of the Group's objectives.

The Group does not undertake any hedging activities.

a) Credit risk

Credit risk is the risk of sustaining a financial loss as a result of the default by a counterparty to make full and timely payments on transactions which have been executed, after allowing for set-offs which are legally enforceable.

Credit risk arises from investments in cash and cash equivalents with banks and credit exposure to customers and/or suppliers. Receivables and cash and cash equivalents represent the Group's maximum exposure to credit risk.

There are no trade receivables past due or impaired at the end of the reporting period.

b) Liquidity risk

Liquidity risk is the risk that the Group will not have sufficient liquidity to meet its financial obligations as they fall due.

The Group manages liquidity risk by continually monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities. Short and long-term cash flow projections are prepared periodically and submitted to the Board.

All consolidated payables recognised as at the 31 December 2020 are due in less than 1 year.

c) Capital management risk

The overriding objective of the Group's capital management strategy is to increase shareholder returns whilst maintaining the flexibility to pursue the strategic initiatives within a prudent capital structure.

The primary objective of the capital management policy is to ensure the Group maintains a strong credit rating and appropriate capital ratios to support the development of the Company's assets.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company is targeting a public float on the ASX during the next 12 months, aiming to raise further capital to fund future exploration activity.

d) Market risk

Foreign exchange risk
The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency exposures, primarily with respect to United States dollars.

The Company operates bank accounts in both Australian Dollar and US Dollars. Over 14% of the Company's cash reserves at the reporting date are held in US Dollars. The Directors are satisfied that the future operations of the company will be in the USA so it is prudent to hold cash reserves in US dollars to avoid any unnecessary currency exposure. The company will look to convert further Australian Dollar cash reserves to US Dollars as required.

	Average rate for the period ended 31 December 2020	Spot rate at the end of the reporting period 2020
Exchange rates applied during the year:		
AUD / USD	**0.7388**	**0.7729**

Financial instruments denominated in United States dollars	2020 A$
Financial assets	
Cash	102,579
Trade and other receivables	3,881
Financial liabilities	
Trade and other payables	5,433

Refer table below for sensitivity analysis.

Interest rate risk
The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of reasonable possible changes in the market interest rates arise in relation to the Company's bank balances.

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

Refer table below for sensitivity analysis.

Commodity price risk
The Company is exposed to future commodity price risk. This risk arises from its activities directed at exploration and development of mineral commodities. If commodity prices fall, the market for companies exploring for these commodities is affected. The Company does not hedge its exposures.

Sensitivity Analysis		Interest rate risk		Foreign exchange risk	
	Carrying amount $	-0.25% Profit $	+0.25% Profit $	-5% Profit $	5% Profit $
31/12/2020					
Financial assets					
Cash asset-A$	629,009	(1,573)	1,573	-	-
Cash Asset - US$	102,579	(256)	256	5,399	(4,885)
Receivables	3,881	-	-	204	(185)
Financial liabilities					
Payables	(5,433)	-	-	(286)	259
Net impact		(1,829)	1,829	5,317	(4,811)

Section 7. KMP disclosures

7.1. Key management personnel disclosure

The Key management personnel (KMP) comprise the following:

Bernard Rowe – Director
Robert Reynolds – Director
Bruce Wrigley – Secretary

The KMP have not received any payments from the Company during the reporting period. The KMP have all participated in the initial capital raising activity, with the Director's shareholdings disclosed in the Directors Report.

Transactions with directors and KMP

With the exception of the disclosures within this note, no director or executive has entered into any material contracts with the Group since the inception of the Company.

Notes to and forming part of the financial statements

Section 8. Group structure

8.1. Parent entity disclosures

	31 December 2020 $'000
Result for the parent entity	
Loss for the period	**15,864**
Total comprehensive loss for the period	**15,864**
Financial position of the parent entity	
Current assets	**694,341**
Non-current assets	**723,654**
Total assets	**1,417,995**
Current liabilities	-
Non-current liabilities	-
Total liabilities	-
Net assets	**1,417,995**
Contributed equity	**1,433,859**
Reserves	-
Accumulated profit/(losses)	**(15,864)**
Total equity	**1,417,995**

Parent entity contingencies and disclosures

Commitments of the Company as at reporting date are disclosed in note 9.1 to the financial statements.

Parent entity guarantees in respect of debts of its subsidiaries

No guarantees have been entered into by the Company in relation to the debts of its subsidiaries.

8.2. Controlled entities

Controlled entities of Gold 50 Pty Ltd	Country of incorporation	2020 ownership interest
Gold 50 US Inc.	USA	**100**
Oro Golconda LLC	USA	**100**

Gold 50 US Inc. is a corporation which Gold 50 Pty Ltd caused to be incorporated in the State of Nevada on 13 October 2020. Gold 50 Pty Ltd is its sole shareholder. Oro Golconda LLC is a limited liability company organized in the State of Nevada. Gold 50 US Inc. is the sole member and owner of Oro Golconda LLC.

Notes to and forming part of the financial statements

Section 9. Other disclosures

9.1. Capital and other commitments

Property acquisition

The Company has secured exploration rights via entering into lease and option to purchase agreements for the mining claims forming the Golconda, Spitfire, Broken Hills and Top Gun Projects. These agreements have been structured with:

- an agreed upfront payment;
- subsequent annual payments agreed to be paid on the anniversary of signing the agreement, subject to the Company wanting to continue exploring the relevant exploration property;
- an agreed annual minimum exploration expenditure on each project (except for the Golconda Project); and
- an option to purchase the mining claims for a specified amount within a specified period (typically five years).

The maximum amount of these expenditures is US$160,000 per project over the coming twelve months.

Gold 50 US Inc. holds the Spitfire, Broken Hills and Top Gun Projects and Oro Golconda LLC holds the Golconda Project.

Statutory fees

In order to maintain the Company's tenements in good standing with the various government authorities and comply with the underlying lease and option to purchase agreements, the Company will be required to pay annual fees. The average amount of these fees is approximately US$16,500 per project which must be paid on or before September 2, 2021. It is likely that the staking of new mining claims and changes in the number of mining claims at renewal will change the expenditure commitment to the Company from time to time.

9.2. Contingent liabilities

Royalties

The commercial arrangements for most of the exploration properties acquired by Gold 50 have included an agreed royalty stream payable upon future commercial production from the properties.

There are no other known contingent liabilities as at 31 December 2020.

9.3. Auditors remuneration

No payments have made to BDJ during the financial period.

9.4. Related Party disclosures

Non-key management personnel disclosures

The Group has a related party relationship with its controlled entities, refer to note 8.2. The Company and its controlled entities engage in a variety of related party transactions in the ordinary course of business. These transactions are conducted on normal terms and conditions.

Key management personnel disclosures

For all related party transactions with key management personnel, refer to note 7.1, Key management personnel disclosures.

9.5. Events after reporting date

Since 31 December 2020 and up to the date of this report the Group has entered into the following transactions or events that due to their material and unusual nature likely in the opinion of directors to have a substantial effect on the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

- The company has recently entered into a new subscription agreement with Violet Galapagos, a private investment fund, for a further 6.25 million shares. This additional $1.3 million capital injection has provided the Company with the ability to purchase of additional exploration properties as well as the commencement of exploration activities on existing properties.
- The Company has commenced the process of Listing on the ASX with the formation of a due diligence committee and appointment of advisors. As part of this process the Company has lodged an application with ASIC to be converted from a private company (Gold 50 Pty Ltd) to a public company (Gold 50 Limited) in March 2021.
- The Group entered into a lease and option to purchase agreement over the Caisson Project in Nevada. The initial costs associated with the Caisson Project total approximately US$75,000.
- The Group has entered contracts to purchase seven patented mining claims located in Section 5, T22N R17W, Arizona. The cost to purchase these claims total approximately US$111,000 and it is anticipated that the closing of the purchases will occur during May 2021.

Directors' declaration

In accordance with a resolution of Gold 50 Pty Ltd, we state that:

In the opinion of the Directors:

(a) The financial statements and notes of the Group although not prescribed by, have been prepared in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the period ended on that date; and

  (ii) complying with Accounting Standards and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Bernard Rowe
Director

Mark Wallace
Director

Sydney, 20 April 2021

Independent Auditor's Report

To the members of Gold 50 Pty Ltd,

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Gold 50 Pty Ltd (the Company and its subsidiaries) ("the Group"), which comprises the consolidated statements of financial position as at 31 December 2020, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration.

In our opinion the accompanying financial report of the Group:

(i) gives a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the period ended on that date; and

(ii) complies with Australian Accounting Standards.

Basis for Opinion

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

We confirm that the independence declaration, which has been given to the Directors of the Company, would be in the same terms if given to the Directors as at the time of this auditor's report.

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

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' Report for the period ended 31 December 2020 but does not include the financial report and our auditor's report thereon.

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

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

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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.

Directors' Responsibility for the Financial Report

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

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

Auditor's Responsibility for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

BDJ Partners

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Gregory Cliffe
Partner

21 April 2021