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ST GEORGE
MINING LIMITED
ANNUAL REPORT 2021

CORPORATE DIRECTORY

Board of Directors

John Prineas - Executive Chairman
John Dawson – Non-Executive Director
Sarah Shipway - Non-Executive Director

Company Secretary

Sarah Shipway

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Stock Exchange Code

SGQ – Ordinary Shares

Auditors

Stantons

Bankers

Commonwealth Bank



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“Sulphide mineralisation of the kind we have at Mt Alexander is incredibly rare – the combination of high-grade nickel, copper, cobalt and platinum group metals is simply not seen anywhere else in Western Australia, or Australia for that matter.”

John Prineas, Executive Chairman



Photo: drill core from STD014 showing massive nickel-copper sulphides. STD014 is one of the metallurgical drill holes completed in 2021 at the Stricklands deposit.

Dear Fellow Shareholders

On behalf of the Board, I am pleased to present the Annual Report of St George Mining Limited (ASX: SGQ) for 2021 and update you on what has been an extremely busy and highly successful year for the Company.

The focus at our flagship high-grade Mt Alexander Project, in Western Australia's Goldfields region, was to test the deeper extensions of the host-intrusive unit at the Cathedrals Belt. All deeper holes completed in 2021 intersected intrusive rocks to provide us with strong encouragement as we continue the search for deeper deposits of massive nickel-copper sulphides.

Breakthrough success came with MAD199, which delivered the deepest and western most occurrence of massive sulphides discovered to date – more than 11m of high-grade mineralisation from 333.5m downhole.

The significance of the discovery cannot be understated – it confirms that the large intrusive unit at the Cathedrals Belt is fertile for nickel-copper sulphides at depth and demonstrates the excellent potential to discover further high-grade mineralisation in other underexplored areas of the Cathedrals Belt.

With a large number of downhole electromagnetic conductors identified at depth, the likelihood of further high-grade mineralisation is high. We will continue our systematic drilling of the deeper targets underpinned by our determination to expand the mineralised footprint at Mt Alexander. At the same time, we are progressing the scoping study on a starter mine based on the small but high-grade and near-surface Stricklands deposit.

During the year we also launched the maiden drill programme for our Paterson Project, in the Paterson Province of Western Australia's East Pilbara region. This region is one of Australia's most exciting exploration frontiers and St George's presence there complements our focus on high-quality, high-grade exploration opportunities.

Drilling at our Paterson Project has intersected prospective lithology and pathfinder elements for base metals and gold mineralisation.

These early results are feeding our belief that our tenure has strong potential to host copper and gold deposits similar to those already discovered in the Paterson – like at Rio Tinto's Winu Project and the Havieron Project being explored in joint venture by Greatland Gold and Newcrest Mining.

In line with St George's focus on adding value for shareholders through high-quality exploration, the Company has secured two exploration licences about 150km east of Perth in Western Australia's Wheatbelt region. The tenure covers two unexplored belts that are interpreted to be splays off the mobile belt that hosts the Moora-Julimar-Yarawindah area where Chalice Mining and other explorers have recently made significant discoveries.

We have named this new greenfields venture the Broadview Project and will embark on a systematic exploration programme to search for nickel-copper-PGEs as well as gold and copper mineralisation.

The Company's very positive results in 2021 were against the challenging background of the ongoing COVID-19 pandemic. The professionalism of our team minimised the disruption to our business while prioritising the health and safety of our employees, contractors and the communities in which we operate.

Despite the pandemic, the nickel price is continuing to rise with nickel demand from the EV market accelerating and industry players scrambling to secure long-term supplies of this key battery mineral.

A dearth of exploration success across Australia ensures St George is well positioned to attract attention from investors looking for exposure to significant new high-grade nickel sulphide discoveries. Our Mt Alexander Project, located in a Tier 1 mining jurisdiction and close to existing infrastructure, is one of only a handful of high-grade nickel sulphide discoveries and unique because it also contains copper, cobalt and platinum group metals.

We look forward to another exciting year of exploration activities designed to add value for all shareholders.

On behalf of the Board of Directors, I thank our Shareholders for your continuing support.



John Prineas
Executive Chairman



Above: aerial photo of the accommodation and work camp at Mt Alexander

Key highlights from operational activities for the year ending 30 June 2021 were the discovery of massive nickel-copper sulphides at depths not previously explored at Mt Alexander, and identification of prospective lithology for copper and gold mineralisation in the inaugural drill programme for the new Paterson Project.

MT ALEXANDER PROJECT
High-grade nickel-copper sulphides

More discoveries with deeper drilling:

In April 2021, the Company announced a significant milestone in exploration at Mt Alexander with the intercept of more than 11m of nickel-copper sulphides from 333.5m downhole in MAD199.

Laboratory assays confirmed the following high-grade intersection:

Hole ID	From	To	Interval	Ni (%)	Cu (%)	PGEs (g/t)	Au (ppm)	Co (ppm)
MAD199	333.5	344.57	11.07	1.58	0.71	1.23	0.09	593
incl.	340.67	344.57	3.9	3.98	1.8	3.1	0.234	1,445
incl.	342.12	343.4	1.28	6.54	2.96	3.88	0.26	2,298

Table 1 – laboratory assays for MAD199.

The high-grade intersection in MAD199 is the deepest occurrence of massive nickel-copper sulphides drilled in the Belt and also the western most occurrence.

This supports the prospectivity of unexplored and underexplored areas of the Cathedrals Belt for further high-grade mineralisation, particularly at depth and to the west of known mineralisation at Investigators.

The nickel-copper sulphides in MAD199 are preserved, which indicates they may be associated with a larger proximal body of mineralisation rather than having been remobilised from a very distant source.



Figure 1 – drill core from the massive sulphide interval of MAD199 between 342.12m to 343.4m downhole.

MAD201 establishes 125m plunge extent of mineralisation from MAD199:

MAD201 is the first step-out from the MAD199 discovery and intersected a 16m-thick intrusive unit from 421.95m downhole with 2.4m of nickel-copper sulphides from 434.6m downhole.

The mineralised interval in MAD201 is located 125m down-plunge of the MAD199 discovery and confirms that the fertile intrusive system continues for a considerable extent at depth.

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'Field of conductors' points to potential for significant mineralisation:

The downhole electromagnetic (EM) survey in MAD201 identified three very strong conductors located up-dip towards the high-grade intersection in MAD199. The conductors are modelled with conductivity of 120,400 Siemens, 30,000 Siemens and 23,000 Siemens, respectively.

The DHEM conductors are interpreted to have a massive sulphide source, strongly supporting the potential for more massive nickel sulphides along the 125m down-plunge extent between MAD199 and MAD201.

Several other EM conductors have been identified from the DHEM surveys completed in drill holes proximal to MAD201 including:

- MAD196 at Investigators – three off-hole EM conductors identified, with the strongest having conductivity of 69,926 Siemens
- MAD200 at West End – three off-hole EM conductors identified, with the largest having a strike length of 250m
- MAD202 at West End – very strong 81,000 Siemens conductor that is coincidental with a large gravity and magnetic feature

The field of multiple EM conductors identified at West End and Investigators suggests that this area is a very active part of the Cathedrals Belt mineral system, with potential for the conductors to be associated with a greater volume of mineralisation along strike or down-dip.

Further drilling is planned in calendar 2021 to test the DHEM conductors and investigate the continuity of mineralisation at West End and Investigators.

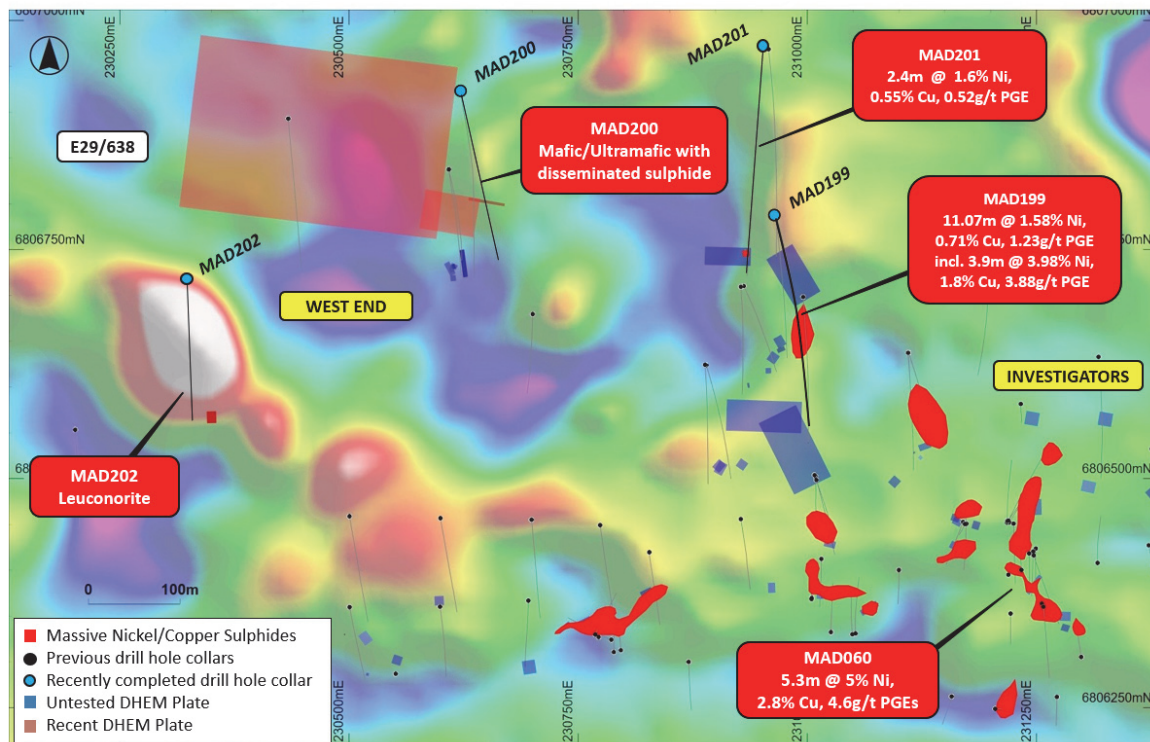


Figure 2 – plan view map of West End and Investigators (against gravity data) showing the field of new DHEM conductors as well as prior drilling. Gravity highs are shown by warmer colours (white, red and yellow). High density massive sulphides and their host rocks will typically present as gravity highs. Less dense material or cover are represented by cooler colours (blues and purples).

Petrographic Analysis Confirms Favourable Intrusive Rocks:

The strong exploration results at Mt Alexander are the culmination of a systematic programme of deeper drilling concurrent with DHEM surveys that was launched in June 2020.

All drill holes in the programme intersected mafic-ultramafic intrusive-style rocks at depth – similar to those that host the high-grade massive nickel-copper sulphides at the shallow deposits already discovered at Stricklands, Cathedrals and Investigators.

The prospectivity for the discovery of further nickel sulphides at depth was further confirmed by petrographic analysis completed on samples of drill core from some of the deeper drill holes.

The analysis of typically identified two main intrusive rocks – an upper leuconorite a basal mela-olivine gabbronorite. This is a suite of intrusive mafic and ultramafic rocks that is highly unusual in the Archean central Yilgarn where Mt Alexander is located, and typically found in Proterozoic provinces.

Norite and gabbronorite are typically associated with a large igneous event – the kind of geological event that is associated with the formation of very significant mineral deposits. In Western Australia, gabbronorite is known to be associated with significant nickel sulphide deposits at IGO's Nova Bollinger (ASX: IGO), Panoramic's Savannah (ASX: PAN) and Oz Mineral's Nebo-Babel (ASX: OZL).

Small amounts of zinc-lead sulphides in addition to magmatic nickel-copper sulphides were observed in some samples, suggesting contamination with sedimentary sulphides or volcanic massive sulphides (VMS) – which typically occurs if the sulphide mineralisation has a deep source.

Mineralisation sourced from magmatic plumbing at depth is indicative of a large mineral system with potential to host significant volumes of mineralisation.

The findings of the petrographic analysis support the prospectivity of the Cathedrals Belt for the discovery of larger nickel-copper sulphide deposits at depth or in other parts of the project tenure.

Emerging regional targets for nickel-copper sulphides:***Carnac Prospect – unexplored east-northeast magnetic trend:***

The high-resolution magnetic survey completed at E29/1041 in Q1 2021 highlighted an east-northeast trend with a series of strong, linear magnetic features. The trend has the same orientation as the highly mineralised Cathedrals Belt.

Anomalous values for nickel, copper and chromium were returned by a soil survey partly completed over this trend, which extends for more than 8km.

The distribution of the anomalous soil values correlates to the shape of the strong linear magnetic trend and supports the interpretation that the magnetic trend may represent a mafic intrusive unit similar to the east-northeast oriented Cathedrals Belt.

Drilling at the Carnac Prospect is planned for calendar 2021.

Exploration is also continuing at other regional targets including on E29/972 where a large bulls-eye magnetic anomaly may represent an intrusive unit; on E29/962 where highly anomalous soil samples overlying ultramafic support the potential for mineralisation at depth; and on E29/548 where a number of east-northeast trends may represent repetitions of the Cathedrals Belt.

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To the south of E29/1041 and within E29/972, the new 2021 magnetic survey data has highlighted a large, very strong magnetic feature with a north-northwest orientation and strike length of approximately 800m and a width of 250m.

The shape of the feature is unusual for the area and notably different to the largely granitic rocks in the vicinity of the anomaly. These features may suggest the potential for an intrusion of unknown origin.

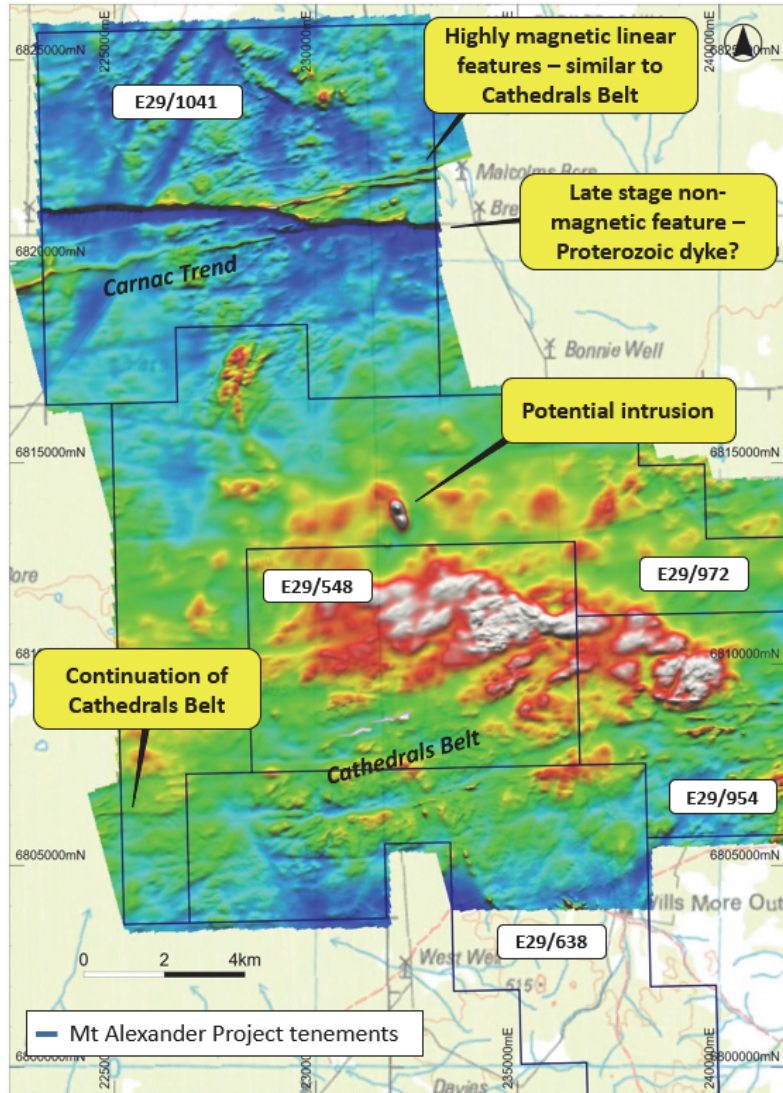


Figure 3 – New magnetic data image (1VD) for E29/1041 and E29/972 with prospective targets highlighted.

Excellent results from metallurgical test work:

Preliminary metallurgical test work has been completed by Strategic Metallurgy Pty Ltd in Perth on samples of massive and disseminated mineralisation from drill hole MAD177 at the Investigators Prospect.

The objective of this test work was to assess if nickel and copper could be recovered into separate saleable concentrates by flotation process, and to determine the PGE department in the concentrates. The results are very favourable and likely to have a positive impact on project economics for a potential mining operation at Mt Alexander.

Two composites representing both massive and disseminated mineralisation from MAD177 were assessed as part of the test work programme. The head grades for these composites are presented below.

Composite sample	Ni %	Cu %	Co %	Fe %	S %	Mg %	Pt g/t	Pd g/t
Massive	5.89	2.58	0.19	53.5	33.6	0.04	0.60	2.45
Disseminated	1.59	0.39	0.06	16.2	6.60	12.9	0.35	1.25

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Separate nickel and copper concentrates were produced from each of the massive and disseminated sulphide samples with the following grades:

Nickel Concentrate					
Metal Grades	Ni %	Ni recovery %	Cu %	Co %	Total PGEs g/t
Massive Ni Concentrate	16.2	90.6	0.66	0.59	6.26
Disseminated Ni Concentrate	13.6	62.0	0.37	0.50	8.10

Copper Concentrate						
Metal Grades	Cu %	Cu recovery %	Ni %	Co %	Total PGEs g/t	Ag g/t
Massive Cu Concentrate	30.3	90.6	1.07	0.03	7.39	52
Disseminated Cu Concentrate	25.1	59.8	0.36	0.02	18.1	0

An analysis of the PGE content confirms significant values for a number of highly sought after PGEs. In particular, palladium and rhodium – both of which are currently trading at historically elevated prices – occur at levels that are expected to attract very valuable smelter credits.

A summary of the PGEs in the nickel and copper concentrates is provided below.

Detailed PGE analysis	Au g/t	Ir g/t	Os g/t	Pd g/t	Pt g/t	Rh g/t	Ru g/t	Total PGEs g/t
Massive Cu Concentrate	0.14	0.02	0.00	5.26	1.82	0.14	0.02	7.39
Disseminated Cu Concentrate	2.78	0.02	0.00	13.6	1.52	0.01	0.04	18.1
Massive Ni Concentrate	0.09	0.02	0.00	5.01	0.78	0.22	0.13	6.26
Disseminated Ni Concentrate	0.58	0.03	0.01	6.16	0.88	0.23	0.21	8.10

The results are very favourable for the project economics for a potential mining operation at Mt Alexander.

Stricklands Deposit – potential starter mine:

Seven diamond core (PQ-size) holes were drilled to provide additional samples of mineralisation for metallurgical test work on the Stricklands Deposit. A total of 483.2m was drilled for these metallurgical holes – STD009, STD010, STD011, STD012, STD013, STD014 and STD015.

All drill holes were located within the existing resource envelope for Stricklands with abundant nickel-copper sulphides intersected for the required test work.

The drill core from these new metallurgical holes was cut and sampled with approximately 300kg of core delivered to XPS (Expert Process Solutions) in Canada, an independent subsidiary of Glencore Group.

XPS has industry leading credentials in the metallurgical analysis of polymetallic nickel sulphides, a style of mineralisation that is rare in Australia.

The new metallurgical samples will be used by XPS to create a new master composite sample that will represent the actual Life of Mine (LOM) feed for a potential mining operation at Stricklands. This will allow for a robust and reliable flowsheet to be developed.

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A key focus of the work by XPS will be to optimise economic recoveries of all the metals in the Ni-Cu-Co-PGE mineralisation at the Stricklands deposit – including the palladium, platinum and rhodium that form the bulk of the platinum group metals.

*Figure 4 – Photo of drill core (PQ-size) from drill hole STD014 at Stricklands, which intersected **14.1m of sulphide mineralisation from 36.5m downhole** (true width and based on geological logging).*

The photo shows core with massive nickel-copper sulphides at approximately 48.2m downhole.

The scoping study for a mining proposal at Stricklands is continuing with trials underway to assess the suitability of ore sorting at Stricklands as well as the potential to use glycine leaching as an alternative processing method to standard flotation techniques.

CSIRO research project:

St George has initiated a research project in conjunction with CSIRO to characterise the unique nickel-copper sulphide mineralisation and intrusive geology in the Cathedrals Belt. CSIRO has world-leading expertise in producing ore genesis models for nickel sulphide deposits, as well as world-class scientific facilities to carry out multiscale characterisation studies.

The aim of the scientific research project underway is to further investigate the generation and emplacement mechanism behind the mineralised intrusive system at the Cathedrals Belt.

It is envisaged that this work will increase the understanding of the most prospective areas at the Cathedrals Belt as well as the broader tenement package at Mt Alexander.

Importantly, the findings of the research project will assist in ongoing exploration targeting for nickel-copper sulphides.

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The project is being conducted by CSIRO in conjunction with St George and other nickel sulphide focused companies. CSIRO has world-leading expertise in producing ore genesis models for nickel sulphide deposits as well as world-class scientific facilities to carry out multi-scale characterisation studies.

Completion of the research project is expected in calendar 2021.

About the Mt Alexander Project:

The Mt Alexander Project is located 120km south-southwest of the Agnew-Wiluna Belt, which hosts numerous world-class nickel deposits. The Project comprises six granted exploration licences – E29/638, E29/548, E29/962, E29/954, E29/972 and E29/1041 – which are a contiguous package. A seventh granted exploration licence – E29/1093 – is located to the south-east of the core tenement package.

The Cathedrals, Stricklands, Investigators and Radar nickel-copper-cobalt-PGE discoveries are located on E29/638, which is held in joint venture by St George (75%) and Western Areas Limited (25%). St George is the Manager of the Project, with Western Areas retaining a 25% non-contributing interest in the Project (in regard to E29/638 only) until there is a decision to mine. All other Project tenements are owned 100% by St George.

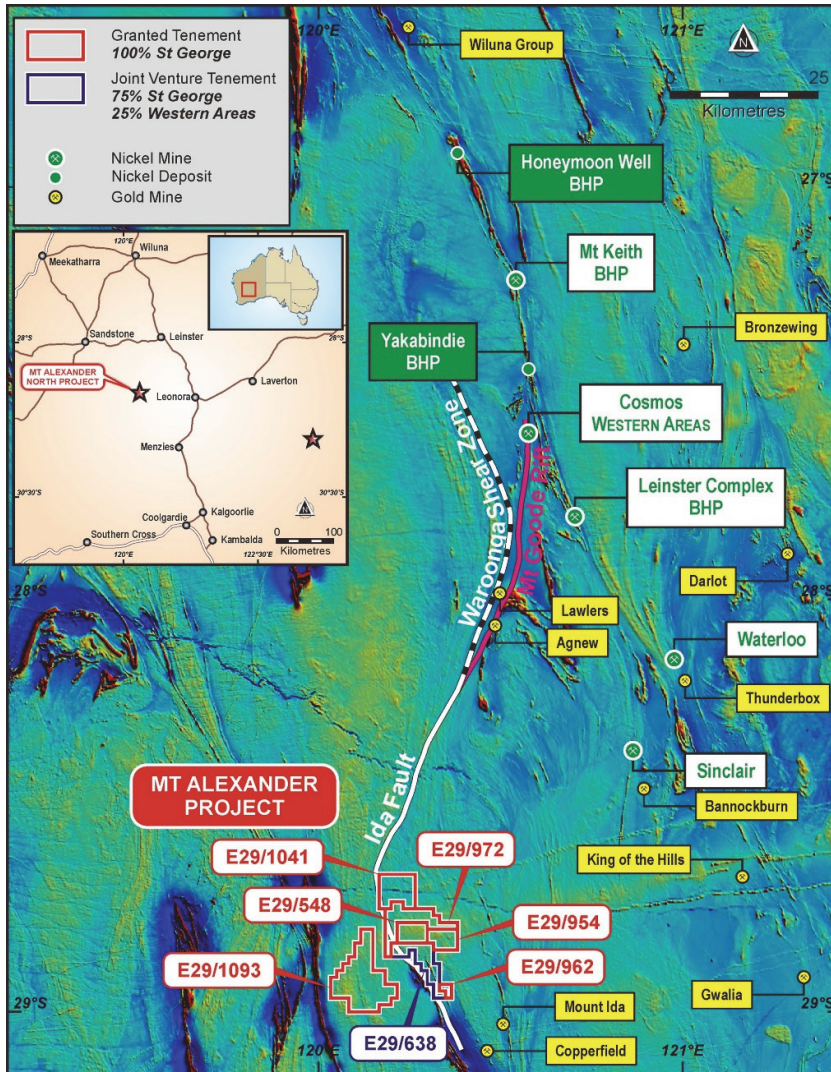


Figure 5 – regional map (over TMI magnetics) showing the strategic location of St George’s Mt Alexander Project to the south-west of major nickel projects in the Agnew-Wiluna Belt – a globally significant region for nickel sulphide production.

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PATERSON PROJECT

*Copper and gold targets in world-class region****Maiden drilling intersects prospective lithology:***

A major drill programme commenced in June 2021 at St George's 100%-owned Paterson Project with the aim testing the lithology and depth of cover across a 35km strike of prospective stratigraphy at St George's Exploration Licence E45/5226.

Geological logging of completed drill holes indicates that they have intersected prospective basement rocks including chalcopyrite bearing intermediate igneous intrusives and intensely altered and gossanous sediments. These rocks are indicative of potential base metal and gold mineralisation in the project area.

Significantly, XRF analysis of the basement rocks indicates elevated levels of pathfinder elements for base metal and gold deposits including bismuth, arsenic, copper, zinc, lead, molybdenum and vanadium.

Laboratory assays are pending and required to confirm the metal values that have been estimated using geological logging and portable XRF analysis.

Petrographic analysis has been completed on samples from a number of drill holes – all of which showed variably weathered schists, which are interpreted to be derived from sedimentary and felsic volcanic rocks.

One bottom-of-hole sample, from drill hole PRC009, contained pyrrhotite and minor chalcopyrite in primary textures indicating that this sedimentary unit may be in part sulphidic – an important source of sulphur for the formation of sedimentary copper deposits.

This lithology, in conjunction with the interpreted structural setting, has similarities to the stratigraphy of the lower Yeneena Basin. This has positive implications on the prospectivity of St George's Paterson Project for base metal and gold deposits, as this lithology is known to host major deposits in the region – including the Winu copper-gold deposit of Rio Tinto (ASX: RIO) and the Nifty copper deposit of Cyprium (ASX: CYM).

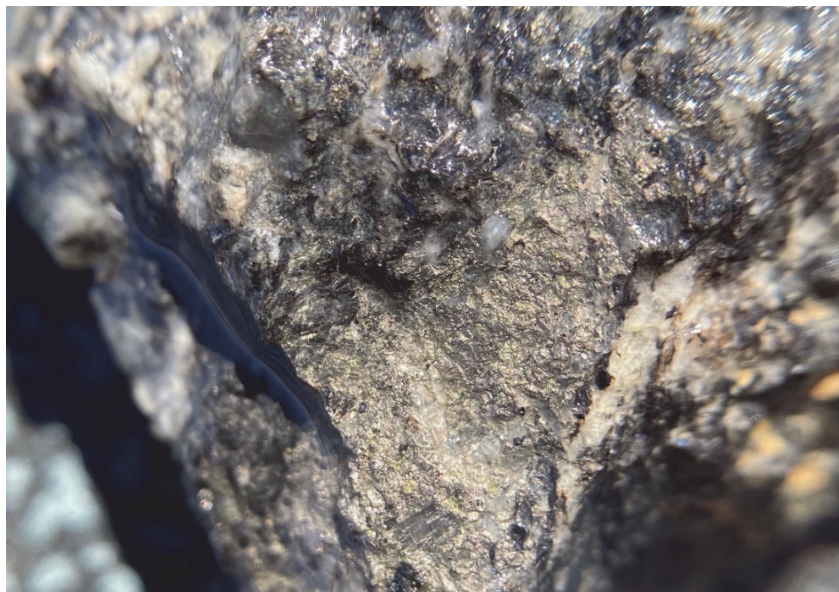


Figure 6 – Photo of a drill chip from PRC009 showing abundant sulphides on a fracture and medium grain texture of the igneous rock (photo colours not altered).

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Further drilling is planned by St George at the Paterson Project in calendar 2021, including deeper diamond drilling, to follow-up the encouraging initial drill results.

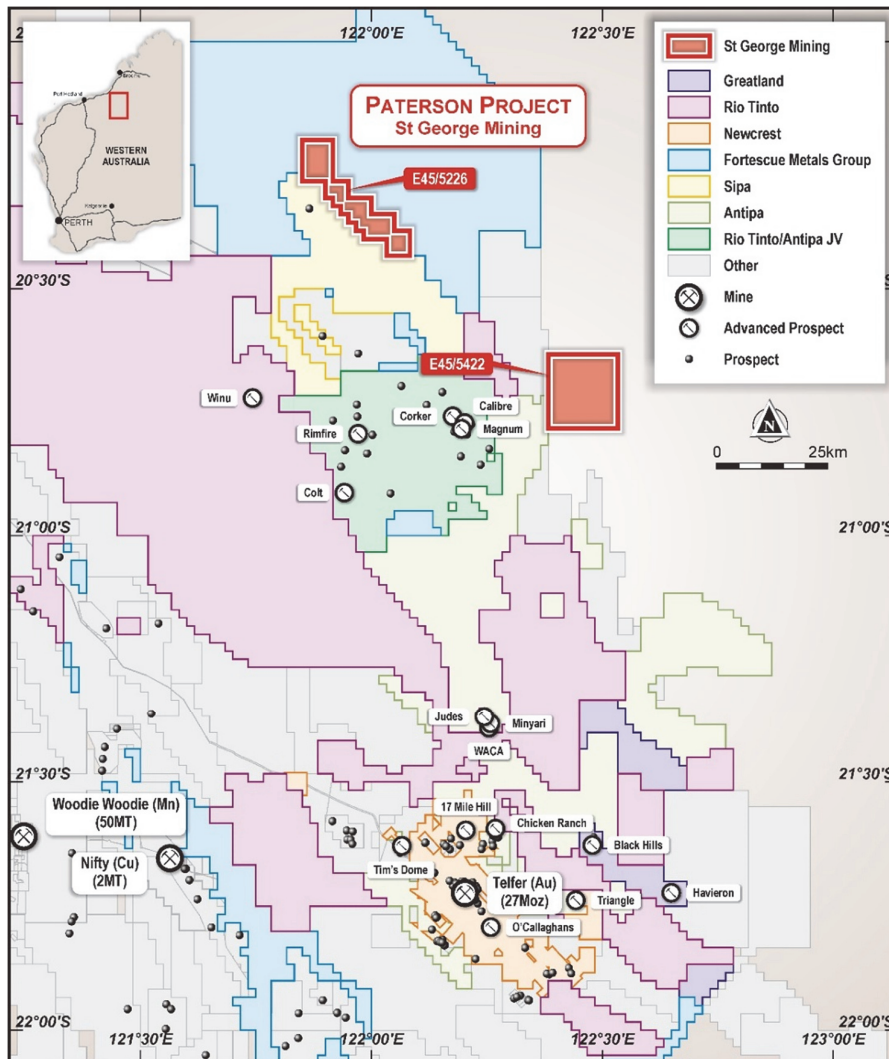


Figure 7 – map showing St George’s tenements in the Paterson Province as well as other projects in the region.

St George’s ground in the Paterson region comprises Exploration Licence E45/5226 and Exploration Licence E45/5422.

The Paterson Province is one of the most highly endowed mineral regions in Australia and remains underexplored with a number of significant copper and gold discoveries recently announced including at Rio Tinto’s Winu and at Havieron which is being explored in joint venture by Greatland Gold (LON: GGP) and Newcrest Mining (ASX: NCM).

These latest discoveries have fueled strong interest in the region from major mining companies such as Fortescue Metals (ASX: FMG), IGO (ASX: IGO) and OZ Minerals (ASX: OZL), which alongside Newcrest and Rio have secured ground in the region including by way of attractive joint ventures with junior exploration companies.

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BOADVIEW PROJECT

Greenfields opportunity in emerging mineral province

The new Broadview Project is located in Western Australia’s Wheatbelt, approximately 150km east of Perth. Other tenement holders in the region include global mining major Anglo American plc (LSE: AAL), which has more than 10,000 sq km of ground, and Impact Minerals (ASX: IPT) which has established its Arkun Project with five tenements.

The Project is considered prospective for nickel-copper-PGE deposits as well as for copper and gold mineralisation. It comprises two exploration licences covering an area of 250 sq km.

The two exploration licences cover two arcuate belts that are interpreted to be splays off the mobile belt that trends north-west to south-east from the Moora-Julimar-Yarawindah area and may mark the boundary of the South West Terrane.

The interpreted boundary of the South West Terrane has a scale and setting that suggests it may contain prospective rocks for hosting major nickel-copper-PGE deposits, such as the recent discoveries at Yarawindah and Julimar in the northern portions of the belt. This interpretation is further supported by the presence of anomalous copper in outcrop.

St George will undertake an augur soil survey at Broadview during calendar 2021 to investigate for anomalism that may support the presence of prospective lithology.

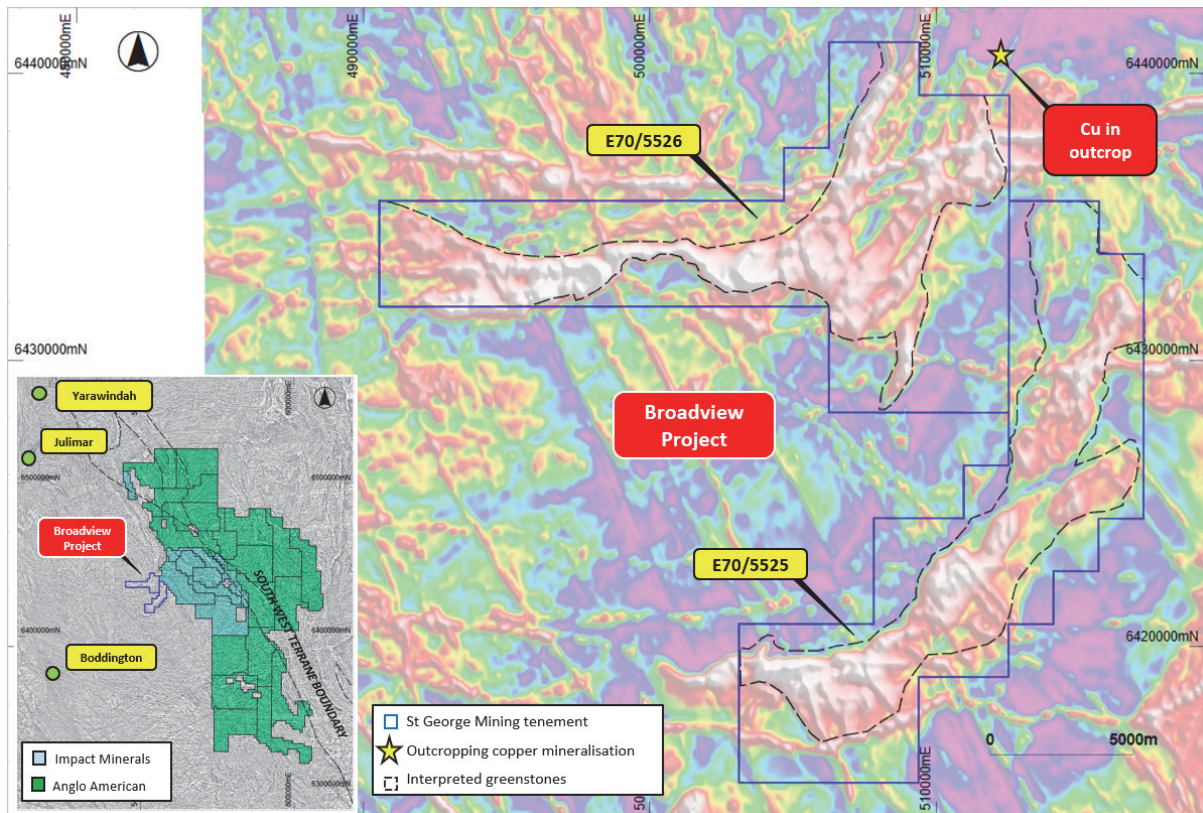


Figure 8 – map of the Broadview Project tenements overlaying magnetic data and highlighting interpreted greenstones. Inset shows regional location.

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CORPORATE DEVELOPMENTS

Capital raising:

On 11 May 2021, the Company completed a private placement of fully paid ordinary shares to institutional and sophisticated investors that secured \$7 million in new funds (before costs) (**Placement**).

A total of 85,365,854 shares were issued at \$0.082 per share under the Placement. A further 281,707 new ordinary shares at a deemed issue price of \$0.082 per share were issued as consideration for advisory services rendered to the Company.

A total of 85,647,561 fully paid ordinary shares at \$0.082 per share were issued on 11 May 2021, after which the Company had the following listed securities on issue:

Fully Paid Ordinary Shares	589,190,937
----------------------------	-------------

50,354,337 of the shares were issued pursuant to the Company's 10% placement capacity under ASX Listing Rule 7.1A and 35,293,224 shares were issued pursuant to the Company's current placement capacity under Listing Rule 7.1.

During the year the Company cancelled 32 Class D Performance Rights.

COVID -19

St George is managing its operations in compliance with COVID-19 regulations issued by State and Commonwealth authorities. We will continue to proactively manage drilling and other field programmes to protect the health and safety of our team and service providers.

Border restrictions and snap lockdowns in Western Australia and elsewhere have impacted the movement of personnel for drill rig crews, which is constraining the availability of drill rigs. St George is in close contact with its drilling contractors to best manage access and continuity to drilling services.

Restrictions on international travel as well as lockdowns in parts of Canada have impacted the timing for completion of metallurgical test work underway in Canada. St George is working closely with its service provider to progress the test work with minimal delays.

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COMPETENT PERSON STATEMENT:

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves for the Mt Alexander Project is based on information compiled by Mr Dave O'Neill, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr O'Neill is employed by St George Mining Limited to provide technical advice on mineral projects, and he holds performance rights issued by the Company.

Mr O'Neill has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr O'Neill consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

This ASX announcement contains information extracted from the following reports which are available on the Company's website at www.stgm.com.au:

- 22 May 2020 *St George Starts Major Drilling Campaign*
- 5 June 2020 *St George Steps Up Drilling at Mt Alexander*
- 2 July 2020 *Mt Alexander – Drilling Update*
- 23 July 2020 *Mt Alexander – Drilling Update*
- 13 August 2020 *Mt Alexander – Drilling Update*
- 27 August 2020 *Thick Mineralised Unit Intersected at Investigators*
- 9 September 2020 *More Thick Intercepts of Mineralised Units*
- 14 September 2020 *Excellent Metallurgical Results for Mt Alexander*
- 21 October 2020 *New 49,000 Siemens EM Conductor at Mt Alexander*
- 3 December 2020 *Multiple New EM Conductors at Mt Alexander*
- 21 December 2020 *Mt Alexander – Exploration and Development Update*
- 23 February 2021 *Drilling Update for Mt Alexander*
- 8 March 2021 *High-Impact Drilling at Mt Alexander*
- 7 April 2021 *Update - Mt Alexander Nickel-Copper Sulphide Project*
- 14 April 2021 *New Discovery of Nickel-Copper Sulphides at Mt Alexander*
- 27 April 2021 *Nickel-Copper Sulphide Potential Grows at Mt Alexander*
- 3 May 2021 *St George Secures \$7 Million*
- 27 May 2021 *Nickel-Copper Sulphides Intersected Down-Plunge*
- 8 June 2021 *Maiden Drilling Begins at Paterson*
- 22 June 2021 *Assays Confirm High-Grade Discovery at Mt Alexander*
- 6 July 2021 *New EM Conductors at Mt Alexander*
- 8 July 2021 *Drilling Intersects Prospective Lithology at Paterson*
- 2 August 2021 *Soil Assays Confirm New Ni-Cu Target at Mt Alexander*
- 13 August 2021 *Highly Successful Drilling at Paterson Project*
- 16 August 2021 *Drilling Underway at Mt Alexander*
- 18 August 2021 *Field of EM Conductors at Mt Alexander*

The Company confirms that it is not aware of any new information or data that materially affects the exploration results included in any original market announcements referred to in this report and that no material change in the results has occurred. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

The Directors of St George Mining Limited submit the annual financial report of St George Mining Limited from 1 July 2020 to 30 June 2021. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The names and particulars of the directors of the Company during the financial year ended 30 June 2021, and at the date of this report, are as follows. Directors were in office for the entire period unless otherwise stated.

<p>John Prineas B.EC LL.B F FIN Appointed Experience</p>	<p>Executive Chairman 19 October 2009 John is a founding shareholder and director of St George Mining Limited. His involvement in the mining sector spans over 25 years with experience in commercial, legal and finance roles.</p>
<p>Other current listed company directorships Former listed directorships in the last three years</p>	<p>Prior to establishing St George Mining, John was Chief Operating Officer and Country Head of Dresdner Bank in Sydney with a focus on project and acquisition finance for resources and infrastructure projects. John has Economics and Law degrees from the University of Sydney and commenced his career as a lawyer in Sydney with Allen, Allen & Hemsley. BMG Resources Limited (ASX:BMG) from October 2020. Not applicable.</p>
<p>John Dawson B.Com MBA INSEAD Appointed Experience</p>	<p>Non-Executive Director 2 January 2019 Mr Dawson has over 30 years' experience in the finance and mining sectors where he occupied very senior roles with global investment banks including Goldman Sachs and Dresdner Kleinwort Wasserstein.</p>
<p>Other current listed company directorships Former listed directorships in the last three years</p>	<p>At Goldman Sachs, Mr Dawson was a Managing Director of FICC (Fixed Income, Currency and Commodities) for Australia. At Dresdner Kleinwort Wasserstein, Mr Dawson was Global Head of Commodities as well as the Country Head for Australia. BMG Resources Limited (ASX:BMG) from October 2020. Not applicable.</p>
<p>Sarah Shipway CA, B.Com Appointed Experience</p>	<p>Non-Executive Director 11 June 2015 Sarah Shipway was appointed Non-Executive Director on 11 June 2015 and was appointed Company Secretary of St George Mining on 22 March 2012.</p>
<p>Other current listed company directorships Former listed directorships in the last three years</p>	<p>Ms Shipway is Non-Executive Director/Company Secretary for Beacon Minerals Limited (ASX: BCN) and Company Secretary for Cardinal Resources Limited (previously ASX/TSX: CDV). Ms Shipway has a Bachelor of Commerce from the Murdoch University and is a member of the Chartered Accountants Australia and New Zealand. Beacon Minerals Limited (ASX: BCN) from June 2015. Not applicable.</p>

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COMPANY SECRETARY

Sarah Shipway was appointed Company Secretary on 22 March 2012. For details relating to Sarah Shipway, please refer to the details on directors above.

DIRECTORS' INTERESTS

At the date of this report the Directors held the following interests in St George Mining.

Name	Ordinary Shares	Performance Rights	
		Class E	Class F
John Prineas	12,588,178	8	10
John Dawson	14,895,242	5	6
Sarah Shipway	649,479	5	6

The Directors have no interest, whether directly or indirectly, in a contract or proposed contract with St George Mining Limited during the financial year.

PRINCIPAL ACTIVITIES

The principal activity of the Group is mineral exploration in Australia.

RESULTS AND REVIEW OF OPERATIONS

The results of the consolidated entity for the financial year from 1 July 2020 to 30 June 2021 after income tax was a loss of \$8,322,413 (2020: \$8,584,901).

A review of operations of the consolidated entity during the year ended 30 June 2021 is provided in the "Review of the Operations" immediately preceding this Directors' Report.

LIKELY DEVELOPMENTS

The Group will continue its mineral exploration and development activities over the next financial year with a focus on the Mt Alexander Project and the Paterson Project. Further commentary on planned activities over the forthcoming year is provided in the "Review of Operations".

The Board will continue to focus on creating value from the Group's existing resource assets, as well as considering new opportunities in the resources sector to complement the Group's current projects.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There has not been any significant change in the state of affairs of the Group during the financial year, other than as noted in this financial report.

ENVIRONMENTAL ISSUES

The Group is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all applicable regulations when carrying out exploration work.

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DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

DIRECTORS' MEETINGS

The following table sets out the number of meetings held during the year ended 30 June 2021 and the number of meetings attended by each director.

	Directors Meetings	
	Eligible to Attend	Attended
J Prineas	5	5
J Dawson	5	5
S Shipway	5	5

REMUNERATION REPORT – AUDITED

Remuneration policy

The remuneration policy of St George Mining Limited has been designed to align directors' objectives with shareholder and business objectives by providing a fixed remuneration component, which is assessed on an annual basis in line with market rates. The Board of St George Mining Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Company.

The Board's policy for determining the nature and amount of remuneration for Board members is as follows:

- The remuneration policy and setting the terms and conditions for the Executive directors and other senior staff members is developed and approved by the Board based on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Independent advice is obtained when considered necessary to confirm that executive remuneration is in line with market practice and is reasonable within Australian executive reward practices.
- All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation.
- The Group is an exploration entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions within the same industry. Options and performance incentives may be issued particularly as the entity moves from an exploration to a producing entity and key performance indicators such as profit and production and reserves growth can be used as measurements for assessing executive performance.
- The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Executive Directors, in consultation with independent advisors, determine payments to the non-executives and review their remuneration annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting and is currently \$500,000 per annum. Fees for independent non-executive directors are not linked to the performance of the Group. To align Directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

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- The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. The method applied to achieve this aim has been the issue of performance rights to directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy was effective in increasing shareholder wealth in the past.
- The Company has issued performance-based remuneration to directors and executives of the Company. The measures are specifically tailored to align personal and shareholder interest. The KPI's are reviewed regularly to assess them in relation to the Company's goals and shareholder wealth.

Company Performance

A summary of St George Mining's business performance as measured by a range of financial and other indicators, including disclosure required by the *Corporations Act 2001*, is outline below.

	2021	2020	2019	2018	2017
Total Comprehensive Loss Attributable to Member of the Company (\$)	8,322,413	8,584,901	9,594,528	4,384,667	4,289,216
Cash and cash equivalents at year end (\$)	6,370,756	8,310,582	3,357,486	5,948,692	4,773,546
Basic Loss Per Share (cents)	1.61	2.12	3.21	1.70	1.75
ASX share price at the end of the year (\$)	0.067	0.115	0.110	0.135	0.100
Increase/(decrease) in share price (%)	(42)	5	(18)	35	(26)

Remuneration Consultants

No remuneration consultant was engaged in the current financial year.

Details of directors and executives

Directors	Title	Date of Appointment	Date of Retirement
J Prineas	Executive Chairman	19 October 2009	Not Applicable
J Dawson	Non-Executive Director	2 January 2019	Not Applicable
S Shipway	Non-Executive Director	11 June 2015	Not Applicable

The Company does not have any executives that are not Directors.

Executive Directors' remuneration and other terms of employment are reviewed annually by the non-executive director(s) having regard to performance against goals set at the start of the year, relative comparable information and independent expert advice.

Except as detailed in the Director's Report, no director has received or become entitled to receive, during or since the financial year end, a benefit because of a contract made by the Group or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors and shown in the Remuneration Report, prepared in accordance with the Corporations Regulations, or the fixed salary of a full time employee of the Group.

Director Remuneration Tables

The actual remuneration earned by Directors in FY2021 is set out below. The information is considered relevant as it provides shareholders with a view of the remuneration actually paid to Directors for performance in FY2021. The value of remuneration includes equity grants where the Directors received control of the shares in FY2021 and different from the remuneration disclosures in the below table, which disclosures the value of LTI grants which may or may not vest in future years.

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Director Actual Remuneration Earned in FY2021

Name	Salary and Fees ¹	Termination Payment	Short-Term Incentive	LTI Plan Rights	Total Actual Remuneration
	\$	\$	\$	\$	\$
J Prineas	409,449	-	-	-	409,449
J Dawson	68,394	-	-	-	68,394
S Shipway	155,991	-	-	-	155,991

1. Salary and fees comprise base salary, superannuation and leave entitlements. It reflects the total of "salary and fees" and "superannuation" in the statutory remuneration table.

Remuneration of directors and executives

Remuneration for the financial year ended 30 June 2021.

	Short-Term Benefits		Post Employment Benefits	Employee Benefits	Equity Settled Share-Based Payments	Total	Performance Related
	Salary and Fees	Termination Payment	Superannuation	Long Service and Annual Leave	Shares/Option/Rights		
Directors	\$	\$	\$	\$	\$	\$	%
J Prineas							
2021	350,000	-	33,250	26,199	(70,870) ¹	338,579	-
2020	350,000	-	33,249	25,754	124,998	534,001	23%
J Dawson							
2021	62,460	-	5,934	-	47,604 ²	115,998	41%
2020	62,460	-	5,933	-	46,100	114,493	40%
S Shipway							
2021	152,608	-	3,383	-	10,574 ³	166,565	6%
2020	142,459	-	13,533	-	41,666	197,658	21%
Total							
2021	565,068	-	42,567	26,199	(12,692)	621,142	-
2020	554,919	-	52,715	25,754	212,764	846,152	-

Note 1: Included in the share-based payments is the reversal of Class C Performance Rights that was expensed in the prior year amounting to \$150,693, as the milestone was deemed unlikely to vest given, they are schedule to expire on 15 August 2021.

Note 2: Included in the share-based payments is the reversal of Class C Performance Rights that was expensed in the prior year amounting to \$37,673, as the milestone was deemed unlikely to vest given, they are schedule to expire on 15 August 2021.

Note 3: Included in the share-based payments is the reversal of Class C Performance Rights that was expensed in the prior year amounting to \$37,675, as the milestone was deemed unlikely to vest given, they are schedule to expire on 15 August 2021.

Employment contracts of directors and executives

The terms and conditions under which key management personnel and executives are engaged by the Company are formalised in contracts between the Company and those individuals.

The Company has entered into an executive services agreement with Mr John Prineas whereby Mr Prineas receives remuneration of \$350,000 per annual plus statutory superannuation. Mr Prineas or the Company may terminate the agreement by giving 12 months' notice. The executive services agreement has no fixed period and continues until terminated.

The Company has entered into a services agreement with Mr John Dawson, whereby Mr Dawson receives remuneration of \$62,460 per annum plus statutory superannuation. Mr Dawson or the Company may terminate the agreement by giving notice. The services agreement has no fixed period and continues until terminated.

The Company has entered into service agreements with Ms Sarah Shipway whereby Ms Shipway receives remuneration of \$62,460 per annum plus statutory superannuation and \$80,000 plus statutory superannuation for the roles of Non-Executive Director and Company Secretary respectively. Ms Shipway may terminate the agreements by giving 3 months' notice. The services agreements have no fixed period and continue until terminated.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

In accordance with the constitution, except as may be prohibited by the *Corporations Act 2001*, every Officer or agent of the Company shall be indemnified out of the property of the entity against any liability incurred by him/her in his/her capacity as Officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

Shareholdings of key management personnel

Directors	Balance at 1 July 2020	Granted as remuneration	Net other change	Balance at 30 June 2021
J Prineas	12,588,178	-	-	12,588,178
J Dawson	14,985,242	-	-	14,985,242
S Shipway	649,479	-	-	649,479
Total	28,222,899	-	-	28,222,899

Listed Options, exercisable at \$0.20 on or before 30 September 2020, holdings of key management personnel

Directors	Balance at 1 July 2020	Expiry of Options	Net other change	Balance at 30 June 2021
J Prineas	1,021,422	(1,021,422)	-	-
J Dawson	1,459,594	(1,459,594)	-	-
S Shipway	-	-	-	-
Total	2,481,016	(2,481,016)	-	-

Performance Rights holdings of key management personnel

Directors	Balance at 1 July 2020	Granted as remuneration	Net other change	Balance at 30 June 2021	Unvested	Value of unvested Rights (\$)
J Prineas	60	26	(8)	78	78	474,000
J Dawson	20	16	(5)	31	31	188,000
S Shipway	20	16	(5)	31	31	188,000
Total	100	58	(18)	140	140	850,000

Each performance rights convert to 50,000 fully paid ordinary shares on achievement of certain milestones. A total of 58 performance rights were issued during the year with a total value of \$687,500, 18 of these rights amounting to \$176,000 lapsed during the year.

Performance Rights Plan

The Group operates a Performance Rights Plan, approved at the Company's Annual General Meeting held 22 November 2017.

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During the year ended 30 June 2021 the Company issued 125 performance rights (2020: 20) and 32 performance rights were cancelled.

Performance rights have been issued to Directors and personnel of the Company and are subject to a number of conditions which can restrict both the vesting and exercise of the rights.

At the date of this report a total of 93 performance rights were on issue. 172 performance rights have lapsed since the year end a total of \$468,935 will be reversed from profit or loss and reserves.

There were no ordinary shares issued during the financial year from the exercise of the performance rights.

END OF REMUNERATION REPORT

SHARE OPTIONS

Unissued shares

At the date of this report the Company had no listed options on issue. During the financial year ended 30 June 2021, 54,297 options had been converted into fully paid ordinary shares and 24,521,817 options had expired.

At the date of this report the Company had on issue the below unlisted options:

Unlisted Options Class	Grant Date	Number of Options	Exercise Price \$	Expiry Date
Unlisted Options	01.08.2019	2,500,000	\$0.15	31.07.2022

During the financial year ended 30 June 2021, and at the date of this report, none of these unlisted options were converted into fully paid ordinary shares.

Option holders do not have any rights to participate in any issues of shares or other interests in the Company or any other entity.

As at the date of this report the Company had 93 performance rights on issue. On meeting of certain hurdles each performance right would convert to 50,000 fully paid ordinary shares.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

The Company was not a party to any such proceedings during the year.

CORPORATE GOVERNANCE STATEMENT

St George Mining is committed to ensuring that its policies and practices reflect a high standard of corporate governance. The Board has adopted a comprehensive framework of Corporate Governance Guidelines.

Throughout the 2021 financial year the Company's governance was consistent with the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The Group's Corporate Governance Statement can be viewed at www.stgm.com.au.

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EVENTS SUBSEQUENT TO BALANCE DATE

On 15 August 2021 a total of 172 performance were cancelled, unvested.

Other than the above there have been no matters or circumstances that have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on page 55 of the financial report.

Non Audit Services

The Company's auditor, Stantons, did not provide any non-audit services to the Company during the financial year ended 30 June 2021.

Signed in accordance with a resolution of the directors made pursuant to s 298(2) of the Corporations Act 2001.

On behalf of the directors



JOHN PRINEAS
Executive Chairman
St George Mining Limited
Dated 1 September 2021

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021**

Australian Dollar (\$)	Note	30 JUNE 2021 \$	30 JUNE 2020 \$
REVENUE			
Interest	3	9,860	23,264
Government grants	3	181,000	52,500
		<u>190,860</u>	<u>75,764</u>
EXPENDITURE			
Administration expenses	4	(1,772,073)	(2,292,263)
Exploration expenditure written off	5	(6,730,629)	(6,313,787)
Finance expenses	6	(10,571)	(54,615)
LOSS BEFORE INCOME TAX		<u>(8,322,413)</u>	<u>(8,584,901)</u>
Income Tax	7(a)	-	-
NET LOSS ATTRIBUTABLE TO MEMBERS OF THE COMPANY		<u>(8,322,413)</u>	<u>(8,584,901)</u>
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME (LOSS)		<u>(8,322,413)</u>	<u>(8,584,901)</u>
TOTAL COMPREHENSIVE (LOSS) ATTRIBUTABLE TO MEMBERS OF THE COMPANY		<u>(8,322,413)</u>	<u>(8,584,901)</u>
LOSS PER SHARE			
Basic and diluted – cents per share	17	<u>(1.61)</u>	<u>(2.12)</u>

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

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

Australian Dollar (\$)	Note	30 JUNE 2021 \$	30 JUNE 2020 \$
CURRENT ASSETS			
Cash and cash equivalents	18(a)	6,370,756	8,310,582
Trade and other receivables	10(a)	53,317	97,150
Other assets	10(b)	70,463	147,056
TOTAL CURRENT ASSETS		6,494,536	8,554,788
NON CURRENT ASSETS			
Security bond		69,658	30,659
Right of use assets	11(a)	50,029	117,029
Plant and equipment	12	28,325	45,320
TOTAL NON CURRENT ASSETS		148,012	193,008
TOTAL ASSETS		6,642,548	8,747,796
CURRENT LIABILITIES			
Trade and other payables	13	591,294	1,078,347
Lease Liabilities	11(b)	37,701	67,482
Provisions for employee entitlements		186,452	135,628
TOTAL CURRENT LIABILITIES		815,447	1,281,457
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	18,995	56,696
TOTAL NON-CURRENT LIABILITIES		18,995	56,696
TOTAL LIABILITIES		834,442	1,338,153
NET ASSETS		5,808,106	7,409,643
EQUITY			
Issued capital	15(a)	57,336,331	50,695,011
Reserves	15(b)	658,425	588,369
Accumulated losses	16	(52,186,650)	(43,873,737)
TOTAL EQUITY		5,808,106	7,409,643

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

Australian (\$)	SHARE CAPITAL \$	ACCUMULATED LOSSES \$	RESERVES \$	TOTAL EQUITY \$
BALANCE AT 1 JULY 2020	50,695,011	(43,873,737)	588,369	7,409,643
Loss for the year	-	(8,322,413)	-	(8,322,413)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	(8,322,413)	-	(8,322,413)
Shares issued during the year	7,000,000	-	-	7,000,000
Share based payments – employees/directors	-	-	756,438	756,438
Shares based payments	83,100	-	-	83,100
Options exercised during the year	10,858	-	-	10,858
Expiry of performance rights	-	-	(88,000)	(88,000)
Reversal of performance rights	-	-	(588,882)	(588,882)
Expiry of options	-	9,500	(9,500)	-
Share issue expenses	(452,638)	-	-	(452,638)
BALANCE AT 30 JUNE 2021	57,336,331	(52,186,650)	658,425	5,808,106
BALANCE AT 1 JULY 2019	34,366,720	(35,557,987)	476,722	(714,545)
Loss for the year	-	(8,584,901)	-	(8,584,901)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	(8,584,901)	-	(8,584,901)
Shares issued during the year	17,167,946	-	-	17,167,946
Share based payments – employees/directors	-	-	380,548	380,548
Shares based payments	-	-	250	250
Options exercised during the year	-	-	-	-
Expiry of options	-	269,151	(269,151)	-
Share and option issue expenses	(839,655)	-	-	(839,655)
BALANCE AT 30 JUNE 2020	50,695,011	(43,873,737)	588,369	7,409,643

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021**

Australian Dollar (\$)	Note	30 JUNE 2021 \$	30 JUNE 2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Expenditure on mining interests		(7,078,781)	(8,459,553)
Payments to suppliers and employees		(1,524,115)	(2,009,336)
Interest received		8,520	21,897
Other - GST		45,922	(73,469)
Government Grants		181,000	52,500
Net cash outflow from operating activities	18(b)	<u>(8,367,454)</u>	<u>(10,467,961)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment of bank guarantee		(40,000)	(29,659)
Acquisition of tenements		(35,648)	(17,021)
Net cash outflow from investing activities		<u>(75,648)</u>	<u>(46,680)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Issue of shares net of capital raising costs		6,570,471	15,570,823
Exercise of options		10,858	-
Loan facility received		-	58,000
Interest on loan and facilities		-	(105,454)
Lease payments		(78,053)	(55,632)
Net cash inflows from financing activities		<u>6,503,276</u>	<u>15,467,737</u>
Net (decrease)/increase in cash and cash equivalents		<u>(1,939,826)</u>	<u>4,953,096</u>
Cash and cash equivalents at the beginning of the financial year		<u>8,310,582</u>	<u>3,357,486</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	18(a)	<u>6,370,756</u>	<u>8,310,582</u>

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

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1 CORPORATE INFORMATION

The financial report of St George Mining Limited (“St George Mining” or “the Company”) for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the directors on 1 September 2021.

St George Mining Limited is a company limited by shares, incorporated in Australia on 19 October 2009. The consolidated financial statements of the Company for year ended 30 June 2021 comprise of the Company and its subsidiaries together referred to as the Group or consolidated entity.

The nature of the operations and principal activity of the Group is mineral exploration.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Statement of compliance*

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (“AIFRS”). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (“IFRS”).

(b) *Basis of Preparation of the Financial Report*

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars. The following accounting policies have been adopted by the consolidated entity.

Going Concern

The directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

The Consolidated Entity has recorded a net accounting loss of \$8,322,413 and net operating cash outflows of \$8,367,454 for the year ended 30 June 2021.

The net assets of the consolidated entity have decreased from \$7,409,643 at 30 June 2020 to net assets of \$5,808,106 as at 30 June 2021. Net assets and Shareholder’s equity decreased in 2021 due to a reduction in capital raising during the period and a decrease in trade and other payables from \$1,078,347 as at 30 June 2020 compared to \$591,294 as at 30 June 2021.

At 30 June 2021 the Group held a cash balance of \$6,370,756.

Equity raisings or debt financing arrangements will be required in the future to fund the Group’s activities. The Directors are assessing a number of options in respect of equity and debt financing arrangements, and have reasonable expectations that further funding will be arranged to meet the Group’s objectives. There is no certainty that new funding will be successfully completed to provide adequate working capital for the Group.

The Board is confident that the Group will have sufficient funds to finance its operations in the 2021/2022 year following successful completion of equity raisings or debt financing arrangements.

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(c) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent St George Mining Limited and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 23.

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

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

(d) Significant accounting estimates and judgements

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

Share-based payment transactions

The Group measures the cost of equity-settled and cash-settled transactions by reference to the fair value of the goods or services received in exchange if it can be reliably measured. If the fair value of the goods or services cannot be reliably measured, the costs are measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model and the assumptions and carrying amount at the reporting date, if any, are disclosed in note 19.

Deferred taxation

The potential deferred tax asset arising from the tax losses and temporary differences have not been recognised as an asset because recovery of the tax losses is not yet considered probable (refer note 7).

Exploration costs

The Group expenses all exploration and evaluation expenditure incurred.

Subsidiary Loans

Provision has been made for all unsecured loans with subsidiaries as it is uncertain if and when the loans will be recovered. All inter-company loans have been eliminated on consolidation.

(e) Revenue

Under AASB 15 Revenue from contracts with customers, revenue is recognised when a performance obligation is satisfied, being when control of the goods or services underlying the performance obligations is transferred to the customer.

Interest

Interest revenue is recognised using the effective interest method.

Government Grants

Government grants are accounted for when received.

(f) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries and annual 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 cash outflows to be made to those benefits.

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred.

(g) Share based payment transactions

The Group accounts for all equity-settled stock-based payments based on the fair value of the award on grant date. Under the fair value-based method, compensation cost attributable to options granted is measured at fair value at the grant date and amortised over the vesting period. The amount recognised as an expense is adjusted to reflect any changes in the Group's estimate of the performance rights that will eventually vest and the effect of any non-market vesting conditions.

Share-based payment arrangements in which the Group receives goods or services as consideration are measured at the fair value of the good or service received, unless that fair value cannot be reliably estimated.

(h) Research & Development Tax Incentives

Refundable tax incentives are accounted for as a government grant under AASB 120 Accounting for Government Grants and Disclosure of Government Assistance.

(i) Exploration and evaluation expenditure

Exploration and evaluation expenditure on areas of interest are expensed as incurred. Costs of acquisition will normally be expensed but will be assessed on a case by case basis and may be capitalised to areas of interest and carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Where projects have advanced to the stage that directors have made a decision to mine, they are classified as development properties. When further development expenditure is incurred in respect of a development property, such

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expenditure is carried forward as part of the cost of that development property only when substantial future economic benefits are established. Otherwise such expenditure is classified as part of the cost of production or written off where production has not commenced.

(j) Income Tax

Current tax assets and liabilities for the period is measured at amounts expected to be recovered from or paid to the taxation authorities based on current year's taxable income. The tax rates and tax laws used for computation are enacted or substantially enacted by the balance date.

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

Deferred income tax liabilities are recognised for all taxable temporary differences:

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

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

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and,
- in respect of deductible temporary differences with investments in subsidiaries, associates and interest in joint ventures, deferred tax assets in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax is reviewed at each balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are not in the income statement.

(k) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Consolidated Statement of Financial Position.

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Cash Flows are included in the Consolidated Statement of Cash Flows net of GST. The GST components of cash flows arising from investing and financial activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(l) Plant and equipment

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

Depreciation is calculated on a diminishing value basis over the estimated useful life of the assets as follows:

Class of Fixed Asset	Depreciation Rate
<i>Plant and Equipment</i>	
- Year 1	18.75%
- Subsequent Years	37.50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

(m) Earnings per share

Basic earnings per share is calculated as net loss attributable to members of the Company, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

(n) Cash and cash equivalents

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

For the purposes of the consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(o) Impairment of assets

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

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

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot

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exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systemic basis over its remaining useful life.

(p) Contributed equity

Ordinary shares and options are classified as contributed equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of GST, from the proceeds.

(q) Financial Instruments

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

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

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

Financial assets

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

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

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

Classifications are determined by both:

- The contractual cash flow characteristics of the financial assets; and
- The entities business model for managing the financial asset.

Financial assets at amortised cost

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

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and

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- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Financial assets at fair value through other comprehensive income (Equity instruments)

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

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

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

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

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

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

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

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

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

Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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Transaction costs

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(r) Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the consolidated statement of comprehensive income.

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(s) Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 2(o).

(t) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. Trade and other payables are initially measured at fair value and subsequently measured at amortised costs using the effective interest method.

(u) Adoption of new and revised standards***New and Amended Standards Adopted by the Group***

The Group has considered the implications of new and amended Accounting Standards which have become applicable for the current financial reporting period.

Initial adoption of AASB 2020-04: COVID-19-Related Rent Concessions

AASB 2020-4: Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions amends AASB 16 by providing a practical expedient that permits lessees to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and, if certain conditions are met, account for those rent concessions as if they were not lease modifications.

Initial adoption of AASB 2018-6: Amendments to Australian Accounting Standards – Definition of a Business

AASB 2018-6 amends and narrows the definition of a business specified in AASB 3: Business Combinations, simplifying the determination of whether a transaction should be accounted for as a business combination or an asset acquisition. Entities may also perform a calculation and elect to treat certain acquisitions as acquisitions of assets.

Initial adoption of AASB 2018-7: Amendments to Australian Accounting Standards – Definition of Material

This amendment principally amends AASB 101 and AASB 108 by refining the definition of material by improving the wording and aligning the definition across the standards issued by the AASB.

Initial adoption of AASB 2019-3: Amendments to Australian Accounting Standards – Interest Rate Benchmark

This amendment amends specific hedge accounting requirements to provide relief from the potential effects of the uncertainty caused by interest rate benchmark reform.

Initial adoption of AASB 2019-1: Amendments to Australian Accounting Standards – References to the Conceptual Framework

This amendment amends Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of Conceptual Framework for Financial Reporting by the AASB.

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The standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Other standards not yet applicable

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

(v) Comparative information

Comparative information is amended where appropriate to ensure consistency in presentation with the current year.

3 REVENUE

	CONSOLIDATED 30 JUNE 2021	CONSOLIDATED 30 JUNE 2020
	\$	\$
Interest income	9,860	23,264
Government grants	181,000	52,500
	190,860	75,764

4 ADMINISTRATION EXPENSES

Administration expenses include the following expenses:

	CONSOLIDATED 30 JUNE 2021	CONSOLIDATED 30 JUNE 2020
	\$	\$
Employee benefit expense		
Wages and salaries	670,091	484,268
Accrued leave	50,824	18,323
Employee share based payments	79,556	380,547
Defined contribution superannuation expense	111,729	108,717
	912,200	991,855
Other administration costs		
Accounting and administration fees	6,749	56,757
Consulting fees	-	35,556
Legal fees	10,539	17,729
Publications and subscriptions	168,480	123,485
Presentations and seminars	139,760	505,432
Rental expenses	48,705	24,835
Share registry costs	47,173	64,120
Travel expenses	38,698	88,864
ROU depreciation	67,000	51,196
Depreciation	16,995	22,086
Other	315,774	310,348
	859,873	1,300,408
Total administration expenses	1,772,073	2,292,263

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5 EXPLORATION EXPENDITURE WRITTEN OFF

	CONSOLIDATED 30 JUNE 2021	CONSOLIDATED 30 JUNE 2020
	\$	\$
Exploration expenditure written off	6,634,981	6,279,048
Tenement acquisition costs	95,648	34,739
	<u>6,730,629</u>	<u>6,313,787</u>

6 FINANCE EXPENSES

	CONSOLIDATED 30 JUNE 2021	CONSOLIDATED 30 JUNE 2020
	\$	\$
Interest expense	-	43,052
Lease interest	10,571	11,563
	<u>10,571</u>	<u>54,615</u>

Refer to Note 14 for details in relation to the facility.

7 INCOME TAX

(a) Prima facie income tax benefit at 26% on loss from ordinary activities is reconciled to the income tax provided in the financial statements

	CONSOLIDATED 30 JUNE 2021	CONSOLIDATED 30 JUNE 2020
	\$	\$
Loss before income tax	(8,322,413)	(8,584,901)
Income tax calculated at 26% (2020: 27.5%)	(2,163,827)	(2,360,848)
Tax effect of:-		
Sundry – temporary differences	25,888	(65,059)
Section 40-880 deduction	(144,223)	(151,139)
Future income tax benefit not brought to account	2,282,162	2,577,046
Income tax benefit	<u>-</u>	<u>-</u>

(b) Deferred tax assets

The potential deferred tax asset arising from the tax losses and temporary differences have not been recognised as an asset because recovery of tax losses is not yet probable.

	CONSOLIDATED 30 JUNE 2021	CONSOLIDATED 30 JUNE 2020
	\$	\$
Australian accumulated tax losses (i), (ii), (iii)	8,114,640	6,498,528
Provisions - net of prepayments	45,357	(123,638)
Section 40-880 deduction	268,677	334,589
Unrecognised deferred tax assets relating to the above temporary differences	<u>8,428,674</u>	<u>6,709,479</u>

The benefits will only be obtained if:

- (i) The Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the losses to be realised;
- (ii) The Group continues to comply with the conditions in deductibility imposed by the Law; and

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- (iii) No change in tax legislation adversely affects the Group in realising the benefits from the deductions or the losses.

8 AUDITOR'S REMUNERATION

	CONSOLIDATED 30 JUNE 2021 \$	CONSOLIDATED 30 JUNE 2020 \$
Auditing and review of the Group's financial statements	53,695	46,123
	<u>53,695</u>	<u>46,123</u>

9 KEY MANAGEMENT PERSONNEL

(a) Details of key management personnel

Directors

John Prineas
John Dawson
Sarah Shipway

Executive

John Prineas – Executive Chairman

(b) Compensation of key management personnel

	CONSOLIDATED 30 JUNE 2021 \$	CONSOLIDATED 30 JUNE 2020 \$
Salaries and fees	565,068	554,919
Post employment benefits – superannuation	42,567	52,715
Equity settled share based payments	(12,692)	212,764
Long service and annual leave benefits	26,199	25,754
	<u>621,142</u>	<u>846,152</u>

10 CURRENT ASSETS

(a) Trade and Other Receivables

	CONSOLIDATED 30 JUNE 2021 \$	CONSOLIDATED 30 JUNE 2020 \$
Current	53,317	97,150
	<u>53,317</u>	<u>97,150</u>

Other receivables include amounts outstanding for goods and services tax (GST) of \$49,274 (2020: \$95,196), interest receivable of \$592 (2020: \$1,954) and reimbursements \$3,451 (2020: \$0).

GST amounts are non-interest bearing and have repayment terms applicable under the relevant government authorities. No trade and other receivables are impaired or past due.

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(b) Other Assets

	CONSOLIDATED 30 JUNE 2021 \$	CONSOLIDATED 30 JUNE 2020 \$
Prepayments	70,463	147,056
	<u>70,463</u>	<u>147,056</u>

11 RIGHT OF USE ASSET AND LEASE LIABILITY

(a) Right of use asset

	CONSOLIDATED 30 JUNE 2021 \$	CONSOLIDATED 30 JUNE 2020 \$
Cost	168,225	168,225
Accumulated depreciation	(118,196)	(51,196)
Carrying value at end of period	<u>50,029</u>	<u>117,029</u>
Opening net carrying value	117,029	168,225
Additions	-	-
Depreciation for the period	(67,000)	(51,196)
Carrying value at end of period	<u>50,029</u>	<u>117,029</u>

(b) Lease Liability

	CONSOLIDATED 30 JUNE 2021 \$	CONSOLIDATED 30 JUNE 2020 \$
Current		
Property lease liability	37,701	67,482
Non-Current		
Property lease liability	18,995	56,696
Total lease liabilities	<u>56,696</u>	<u>124,178</u>

Property leases

The above right-of-use asset (ROU) and lease liability relate to the office lease and storage lease entered into by the Group. The lease has been accounted in accordance with AASB 16 adopted by the Group on 1 July 2019 under the modified retrospective approach.

The right-of-use asset is measured at the amount equal to the lease liability at initial recognition and then amortised over the life of the lease. The lease liability and ROU asset at initial recognition is \$168,225.

The right-of-use asset is being depreciated over the lease term on a straight-line basis which is approximately 15 and 24 months for the office and storage lease, respectively, in place at 30 June 2021. Depreciation expense of \$67,000 (2020: \$51,196) was included in corporate administration expense in the consolidated statement of profit or loss and other comprehensive income.

At initial recognition, the lease liability was measured as the present value of minimum lease payments using the Group's incremental borrowing rate of 11.24%. The incremental borrowing rate was based on the unsecured interest rate that would apply if finance was sought for an amount and time period equivalent to the lease requirements of the Group. Each lease payment is allocated between the liability and interest expense. The

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interest expense of \$10,571 (2020: \$11,563) was included in finance expense in the consolidated statement of profit or loss and other comprehensive income. Lease payments during the year was \$78,053 including interest.

Option to extend or terminate

The Group uses hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

12 PLANT AND EQUIPMENT

	CONSOLIDATED 30 JUNE 2021 \$	CONSOLIDATED 30 JUNE 2020 \$
Plant and Equipment		
At Cost	137,415	137,836
Accumulated depreciation	(109,090)	(92,516)
Total plant and equipment	28,325	45,320
Plant and Equipment		
Carrying amount at the beginning of the year	45,320	50,384
Additions	-	17,022
Disposals	-	-
Depreciation expense	(16,995)	(22,086)
Total carrying amount at end of year	28,325	45,320

13 CURRENT LIABILITIES

	CONSOLIDATED 30 JUNE 2021 \$	CONSOLIDATED 30 JUNE 2020 \$
Trade and other payables	591,294	1,078,347
	591,294	1,078,347

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short-term nature. As at 30 June 2021 \$13,576 (2020: \$92,384) was past 30 days due.

14 BORROWINGS

	CONSOLIDATED 30 JUNE 2021 \$	CONSOLIDATED 30 JUNE 2020 \$
Credit Facility		
At the beginning of the year	-	792,000
Credit facility drawn down	-	58,000
Repayment of credit facility	-	(850,000)
	-	-
Interest Accrued		
At the beginning of the year	-	62,424
Accrued for the year	-	43,030
Repayment during the year	-	(105,454)
	-	-

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15 ISSUED CAPITAL

Australian Dollar \$	CONSOLIDATED 30 JUNE 2021 \$	CONSOLIDATED 30 JUNE 2020 \$
(a) Issued and paid up capital		
At the beginning of the reporting period	50,695,011	34,366,720
July 2019: 33,000,000 shares issued at \$0.10 per share	-	3,300,000
October 2019: 44,300,000 shares issued at \$0.15 per share	-	6,645,000
May 2020: 45,277,814 shares issued at \$0.080	-	3,622,226
June 2020: 45,000,000 shares issued at \$0.080	-	3,600,000
May 2021: 85,365,854 shares issued at \$0.082	7,000,000	-
Exercise of Options	10,858	720
Share based payments (i)	83,100	
Transactions costs arising from issue of shares	(452,638)	(839,655)
At reporting date 589,190,937 (30 June 2020: 502,889,079) fully paid ordinary shares	57,336,331	50,695,011
Movements in Ordinary Shares		
	Number	Number
At the beginning of the reporting period	502,889,079	335,307,665
Shares issued during the year		
July 2019: 33,000,000 shares issued at \$0.10 per share	-	33,000,000
October 2019: 44,300,000 shares issued at \$0.15 per share	-	44,300,000
May 2020: 45,277,814 shares issued at \$0.080	-	45,277,814
June 2020: 45,000,000 shares issued at \$0.080	-	45,000,000
May 2021: 85,365,854 shares issued at \$0.082	85,365,854	-
Options exercised during the year	54,297	3,600
Share based payments	881,707	-
At reporting date	589,190,937	502,889,079

(i) During the year the following share-based payments were made:

- (a) 600,000 fully paid ordinary shares were issued at \$0.10 per share as consideration to acquire an exploration licence;
- (b) 281,707 fully paid ordinary shares were issued at \$0.082 per share as consideration for capital raising costs.

Movements in Performance Rights	Number	Number
At the beginning of the reporting period	172	152
Changes to Performance Rights issued during the year		
Performance Rights cancelled during the year	(32)	-
Issued during the year (i)	125	20
At reporting date	265	172

(i) The Company issued 125 performance rights (2020: 20) during the year. Please refer to note 19.

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(b) Reserve

Movements in reserve	CONSOLIDATED 30 JUNE 2021	CONSOLIDATED 30 JUNE 2020
	\$	\$
At the beginning of the year	588,369	476,722
Expiry of options transferred to accumulated losses	(9,500)	(269,151)
Expiry of performance rights	(88,000)	-
Reversal of performance rights	(588,882)	-
Option based payments (i)	-	250
Share based payments expense	756,438	380,548
At reporting date	658,425	588,369

(i) Performance rights expense (see note 19).

A summary of the outstanding options at 30 June 2021 in the Company is listed below:

Class	Number of Options	Exercise Price	Expiry Date
Unlisted Options	2,500,000	\$0.15	31 July 2022

16 ACCUMULATED LOSSES

	CONSOLIDATED 30 JUNE 2021	CONSOLIDATED 30 JUNE 2020
	\$	\$
Accumulated losses at the beginning of the year	(43,873,737)	(35,557,987)
Loss for the year	(8,322,413)	(8,584,901)
Expiry of options transferred from accumulated losses	9,500	269,151
Accumulated losses at the end of the year	(52,186,650)	(43,873,737)

17 LOSS PER SHARE

	CONSOLIDATED 30 JUNE 2021	CONSOLIDATED 30 JUNE 2020
	\$	\$
Basic loss per share after income tax attributable to members of the Company (cents per share)	(1.61)	(2.12)
Diluted loss per share (cents per share)	(1.61)	(2.12)
	2021	2020
	Number	Number
Weighted average number of shares on issue during the financial year used in the calculation of basic earnings per share	515,459,075	404,418,783
Weighted average number of ordinary shares for diluted earnings per share	515,459,075	404,418,783

18 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash at bank and in hand and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

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	CONSOLIDATED 30 JUNE 2021	CONSOLIDATED 30 JUNE 2020
	\$	\$
Current – cash at bank	6,370,756	8,310,582
	<u>6,370,756</u>	<u>8,310,582</u>

(b) Reconciliation of loss after tax to net cash flows from operations

	CONSOLIDATED 30 JUNE 2021	CONSOLIDATED 30 JUNE 2020
	\$	\$
Loss after income tax	(8,322,413)	(8,584,901)
Share based payments	79,556	380,547
Depreciation expense	83,995	73,282
Lease interest	10,571	-
Tenement acquisitions	95,648	-
(Increase)/decrease in assets		
Trade and other receivables	43,833	(74,837)
Other assets	77,594	232,361
Increase/(decrease) in liabilities		
Trade and other payables	(487,061)	(2,476,089)
Provisions	50,823	(18,324)
	<u>(8,367,454)</u>	<u>(10,467,961)</u>

Non-cash investing and financing activities:

- (i) 600,000 shares were issued at \$0.10 per share to acquire an exploration licence;
- (ii) 281,7070 shares were issued at \$0.082 per share on consideration for capital raising costs.

19 SHARE BASED PAYMENTS

- (i) On 16 July 2018 at the general meeting of shareholders, the Company agreed and Shareholders approved the issue of 58 performance rights to Directors of the Company. An additional 67 performance rights were issued to employees of the Company.

The Performance Rights issued in the prior year have the following milestones attached to them:

- (i) **Class A Performance Rights:** in the event that the Undiluted Market Capitalisation of the Company is equal to or higher than AU\$100,000,000.00 for a minimum of 10 consecutive trading days the vesting condition shall be deemed satisfied.
- (ii) **Class B Performance Rights:** in the event that the Undiluted Market Capitalisation of the Company is equal to or higher than AU\$150,000,000.00 for a minimum of 10 consecutive trading days, the vesting condition shall be deemed satisfied.
- (iii) **Class C Performance Rights:** the Company announces an inferred 2012 JORC compliant resource at any Project of not less than:
 - (a) in regard to a gold resource, 1,000,000 ounces of Au; or
 - (b) in regard to a nickel resource, 50,000t contained Ni; or
 - (c) in regard to a cobalt resource, 10,000t contained Co.,

Each performance right converts to 50,000 fully paid ordinary shares on achievement of the milestone.

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Performance rights issued during the year have the following milestones attached to them:

- (iv) **Class D Performance Rights:** An announcement by the Company to the Australian Securities Exchange (ASX) is made by 30 June 2021 stating that the Company has made a Decision to Mine at the Mt Alexander Project.
- (v) **Class E Performance Rights:** An announcement by the Company to the ASX is made by 30 June 2022 stating that the Company has commenced production at the Mt Alexander Project of Nickel that will be commercially sold under an offtake or sales agreement.
- (vi) **Class F Performance Rights:** An announcement by the Company to the ASX is made by 30 June 2022 stating that the Company has defined an inferred 2012 JORC compliant resource at the Mt Alexander Project of not less than 100,000 tonnes contained nickel based on a cut-off grade of not less than 0.5%.
- (vii) **Class G Performance Rights:** drill intersections of economically significant mineralisation at the Company's Paterson Project by 30 June 2022 that the Board believes are indicative of the discovery of an ore deposit.

The performance rights were ascribed the below value:

Class	Date of Issue	Number of Performance Rights (i)	Expiry Date	Number of Ordinary Shares on Achievement	Price of Shares (\$)	Total Value (\$) (ii)	Expense for the period (\$)
Class A (iv)							
	15.08.18	25	31.07.21	1,250,000	0.125	156,250	52,036
	17.12.18	8	31.07.21	400,000	0.135	54,000	20,813
	03.12.19	5	15.08.21	250,000	0.135	33,750	19,910
Total Class A	-	38		1,900,000	-	244,000	92,759
Class B (iv)							
	15.08.18	25	31.07.21	1,250,000	0.125	156,250	52,036
	17.12.18	8	31.07.21	400,000	0.135	54,000	20,813
	03.12.19	5	15.08.21	250,000	0.135	33,750	19,910
Total Class B	-	38		1,900,000	-	244,000	92,759
Class C (v)							
	15.08.18	70	31.07.21	3,500,000	0.125	437,500	(273,438)
	17.12.18	16	31.07.21	800,000	0.135	108,000	(63,979)
	03.12.19	10	15.08.21	500,000	0.135	67,500	(24,295)
Total Class C	-	96		4,800,000	-	613,000	(361,712)
Class D	24.07.20	32	30.06.21	1,600,000	0.110	176,000	-
Class E	24.07.20	32	30.06.22	1,600,000	0.110	176,000	88,000
Class F	24.07.20	45	30.06.22	2,250,000	0.110	247,500	123,750
Class G	24.07.20	16	30.06.22	800,000	0.110	88,000	44,000
Total D-G	-	125	-	6,250,000	-	687,500	255,750
Total	-	297	-	14,850,000	-	1,788,500	79,556
Class D (iii)	Cancelled	(32)		(1,600,000)	-	(176,000)	-
Total	-	265	-	13,250,000	-	1,612,500	79,556

- (i) Each Performance Right will convert into 50,000 shares.
- (ii) The value of the rights was determined as per the date the rights were issued.
- (iii) 32 Class D performance rights were cancelled during the year as the vesting conditions were not fulfilled.
- (iv) Subsequent to the year end the performance rights lapsed and amount was reversed.
- (v) At year end it was deemed that the Class C Performance Rights were unlikely to vest given the rights were scheduled to expire on 15 August 2021 and amounts expensed in the prior years were reversed in the current year.

It has been deemed that the milestones occurring for the performance rights on issue as at reporting date will more likely than not occur and therefore expenses were accounted in full over the vesting period.

Each performance rights converts to 50,000 fully paid ordinary shares on achievement of the milestone.

Of the above performance rights granted, the following were issued to key management personnel:

Key Management Personnel	Grant Date	Number of Performance Rights
J Prineas		
Class A	15.08.18	10
Class B	15.08.18	10
Class C	15.08.18	40
Class E	24.07.20	8
Class F	24.07.20	10
J Dawson		
Class A	03.12.19	5
Class B	03.12.19	5
Class C	03.12.19	10
Class E	24.07.20	5
Class F	24.07.20	6
S Shipway		
Class A	15.08.18	5
Class B	15.08.18	5
Class C	15.08.18	10
Class E	24.07.20	5
Class F	24.07.20	6

A summary of the movements of all the Company options issued as share based payments is as follows:

	Number	Weighted Average Exercise Price \$
Options outstanding as at 30 June 2019	28,079,714	0.206
Granted	2,500,000	0.15
Forfeited	-	-
Exercised	(3,600)	0.20
Expired	(3,500,000)	0.25
Options outstanding as at 30 June 2020	27,076,114	0.206
Granted	-	-
Forfeited	-	-
Exercised	(54,297)	0.20
Expired	(24,521,817)	0.20
Options outstanding as at 30 June 2021	2,500,000	0.15
Options exercisable as at 30 June 2021	2,500,000	-
Options exercisable as at 30 June 2020	27,076,114	-

The weighted average remaining contractual life of options outstanding at the year-end was 1.08 years (2020: 1.18 years). The weighted average exercise price of outstanding options at the end of the report period was \$0.15 (2020: \$0.20).

20 COMMITMENTS AND CONTINGENCIES

(a) Commitment

Mineral exploration commitments

The Group has the following minimum exploration expenditure requirements in connection with its exploration tenements.

	30 June 2021 \$	30 June 2020 \$
Not later than one year	350,963	447,399
Later than one year but not later than two years	329,117	557,523
	<u>680,080</u>	<u>1,004,922</u>

(b) Contingent liabilities and commitments

The Group fully owns three subsidiaries, Desert Fox Resources Pty Ltd, Blue Thunder Resources Pty Ltd and Destiny Nickel Pty Ltd, the main activities of which are exploration. The effect of these subsidiaries is to make the St George Mining owned subsidiaries contractually responsible for any transactions undertaken by the subsidiary. The parent entity has provided certain guarantees to third parties whereby certain liabilities of the subsidiary are guaranteed.

There are no contingent liabilities as at the date of this report.

21 EVENTS SUBSEQUENT TO BALANCE DATE

On 15 August 2021 a total of 172 performance were cancelled, unvested.

Other than the above there have been no matters or circumstances that have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

22 FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that the financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

2021	Note	Floating interest rate	Fixed interest rate	Non- interest bearing	Total	Weighted average interest rate
		\$	\$	\$	\$	%
Financial assets						
Cash and cash equivalents	18(a)	6,292,629	-	78,127	6,370,756	0.16
Trade and other receivables	10(a)	-	-	53,317	53,317	-
Security bond	-	68,658	-	1,000	69,658	0.10
		6,361,287	-	132,444	6,493,731	-
Financial liabilities						
Trade and other payables	13	-	-	591,294	591,294	-
Lease liability	11(b)	-	56,696	-	56,696	11.24%
		-	56,696	591,294	647,990	-

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2020	Note	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Weighted average interest rate
		\$	\$	\$	\$	%
Financial assets						
Cash and cash equivalents	18(a)	8,250,274	20,000	40,308	8,310,582	0.28%
Trade and other receivables	10(a)	-	-	97,150	97,150	-
Security bond	-	-	29,659	1,000	30,659	-
		8,250,274	49,659	138,458	8,438,391	-
Financial liabilities						
Trade and other payables	13	-	-	1,078,347	1,078,347	-
Lease liability	11(b)	-	124,178	-	124,178	11.24%
		-	124,178	1,078,347	1,202,525	-

Based on the balances at 30 June 2021 a 1% movement in interest rates would increase/decrease the loss for the year before taxation by 63,046 (2020: \$81,758).

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any allowance for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group.

(c) Financial liabilities

Financial liabilities are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised costs using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

The contractual maturities of the Group's financial liabilities are as follows:

Contractual maturities of financial liabilities As at 30 June 2021	Less than 6 months	6 – 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/liabilities
Non-derivatives							
Lease liability	26,942	14,708	19,803	-	-	61,453	56,696
Trade and other payables	591,294	-	-	-	-	591,294	591,294
Total non-derivatives	618,236	14,708	19,803	-	-	652,747	647,990

(d) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements represent their respective net fair value and is determined in accordance with the accounting policies disclosed in note 2 to the financial statements.

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(e) Financial Risk Management

The Group's financial instruments consist mainly of deposits with recognised banks, investment in term deposits up to 90 days, accounts receivable, accounts payable and borrowings. Liquidity is managed, when sufficient funds are available, by holding sufficient funds in a current account to service current obligations and surplus funds invested in term deposits. The directors analyse interest rate exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The main risks the Group is exposed to through its financial instruments are the depository banking institution itself, holding the funds, and interest rates. The Group's credit risk is minimal as being an exploration Company, it has no significant financial assets other than cash and term deposits.

(f) Foreign Currency Risk

The Group is not exposed to any foreign currency risk as at 30 June 2021.

(g) Market Price Risk

The Group is not exposed to market price risk as it does not have any investments other than an interest in the subsidiaries.

23 RELATED PARTIES

The Group has 100% owned subsidiaries Blue Thunder Resources Pty Ltd, Desert Fox Resources Pty Ltd and Destiny Nickel Pty Ltd. St George Mining is required to make all the financial and operating decisions of these subsidiaries.

Subsidiaries of St George Mining Limited	Country of Incorporation	Percentage Owned %	
		30 June 2021	30 June 2020
Desert Fox Resources Pty Ltd	Australia	100%	100%
Blue Thunder Resources Pty Ltd	Australia	100%	100%
Destiny Nickel Pty Ltd	Australia	100%	100%

At 30 June 2021 balances due from the subsidiaries were:

	30 JUNE 2021	30 JUNE 2020
	\$	\$
Blue Thunder Resources Pty Ltd	22,521,900	17,174,873
Desert Fox Resources Pty Ltd	23,307,988	22,771,465
Destiny Nickel Pty Ltd	-	-
	45,829,888	39,946,338

These amounts comprise of funds provided by the parent company for exploration activities. The amounts were fully provided for as at 30 June 2021 and have been eliminated on consolidation.

During the year, the Company paid \$61,711 (2020: \$ Nil) on behalf of American West Metals Limited (American West Metals), of which John Prineas is a director. American West Metals fully reimbursed the company \$61,711 (2020: Nil) for these expenses during the year.

24 SEGMENT REPORTING

For management purposes, the Group is organised into one main operating segment, which involves the exploration of minerals in Australia. All of the Group's activities are interrelated, and discrete financial information is reported to the Board as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment.

The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these financial statements.

25 JOINT VENTURES

The Group recognises that joint ventures are a key mechanism for sharing of risk on individual exploration projects. Where appropriate for a particular project, the Group will consider a joint venture with a suitable party in order to share the exploration risk. Those funds otherwise set aside for the project will be employed to advance another project.

There were no joint ventures in place during and at the end of the financial year.

26 PARENT COMPANY DISCLOSURE**(a) Financial Position**

Australian Dollar (\$)	30 JUNE 2021	30 JUNE 2020
	\$	\$
Assets		
Current assets	6,492,139	8,470,127
Non-current assets	78,484	192,007
Total assets	6,570,623	8,662,134
Liabilities		
Current liabilities	805,551	1,281,454
Non-current liabilities	18,995	56,696
Total liabilities	824,546	1,338,150
Net assets	5,746,077	7,323,984
Equity		
Issued capital	57,336,331	50,695,010
Reserves	658,425	588,369
Accumulated losses	(52,248,679)	(43,959,395)
Total equity	5,746,077	7,323,984

(b) Financial Performance

Australian Dollar \$	30 JUNE 2021	30 JUNE 2020
	\$	\$
Profit (loss) for the year	(8,298,784)	(8,530,951)
Other comprehensive income	-	-
Total comprehensive income (loss)	<u>(8,298,784)</u>	<u>(8,530,951)</u>

During the year \$9,500 was transferred from the Reserves to accumulated losses on expiry of options.

(c) Guarantees entered into by the Parent Entity

Other than as disclosed in Note 20 (b) the parent entity has not provided guarantees to third parties as at 30 June 2021.

In the opinion of the Directors of St George Mining Limited ("the Company")

- (a) The financial statements and the notes and the additional disclosures included in the directors' report designated as audited of the Group are in accordance with the Corporations Act 2001, including:
 - (i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year ended that date; and
 - (ii) Complying with Accounting Standards and Corporations Regulations 2001, and:
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) The financial statements and notes comply with International Financial Reporting Standards as disclosed in note 2.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2021.

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

On behalf of the Board



John Prineas
Executive Chairman

Dated: 1 September 2021
Perth, Western Australia

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1 September 2021

Board of Directors
St George Mining Limited
Suite 2, 28 Ord Street
West Perth WA 6005

Dear Directors

RE: ST GEORGE MINING LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of St George Mining Limited.

As the Audit Director for the audit of the financial statements of St George Mining Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD

Martin Michalik
Director

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST GEORGE MINING LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of St George Mining Limited ("the Company") and its subsidiaries ("Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

Key Audit Matters

We have defined the matters described below to be the key audit matter to be communicated in our report.

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

Key Audit Matters
How the matter was addressed in the audit
Issued Capital
(refer to Note 15(a))

The Group's Issued Capital amounted to \$57,336,331. During the reporting year, 86,301,858 ordinary shares were issued through placements, exercise of options and shares issued, as consideration for services and acquisition of exploration interests, resulting in an increase in Contributed Equity of \$6,641,320 net of capital raising costs *(refer to Note 15(a) to the financial report)*.

Contributed Equity is a key audit matter due to:

- the quantum of share capital issued during the year; and
- the varied nature of the movements during the year.

We have spent significant audit effort on ensuring the Issued Capital was appropriately accounted for and disclosed.

Inter alia, our audit procedures included the following:

- i. Obtaining an understanding of the underlying transactions;
- ii. Verifying all issued capital movements to the relevant ASX announcements;
- iii. Vouching proceeds from capital raisings to bank statements and other relevant supporting documentation;
- iv. Verifying underlying capital raising costs and ensuring these costs were appropriately recorded;
- v. Ensuring consideration for services provided are measured in accordance with AASB 2 *Share-Based Payments* and agreed the related costs to relevant supporting documentation; and
- vi. Ensuring the requirements of the relevant accounting standards and disclosures achieve fair presentation and reviewing the financial statements to ensure appropriate disclosures are made.

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Key Audit Matters**How the matter was addressed in the audit****Share based payments - Performance rights**
(refer to Note 2(g) and Note 19)

As referred to in Note 19 to the consolidated financial statements, the Company awarded 125 performance rights (each performance right to convert into 50,000 ordinary shares on conversion). The awards vest subject to the achievement of certain vesting conditions. 32 performance rights that were granted during the year were cancelled due to vesting conditions not being met. The company also had on issue 172 performance rights granted in prior year which are yet to vest.

The Group valued the performance rights based on the share price at grant date and estimated likelihood of performance conditions being achieved over the vesting period for each tranche of awards. The fair value of the performance rights at the grant date was \$687,500, vesting over two years from the date of issue.

The Group has performed calculations to record the related share-based payment expense of \$79,556 in the consolidated statement of profit or loss and other comprehensive income, after reversal of previously recognised expense in relation to performance rights that the management do not expect to vest.

Due to the complex nature of the transactions and estimates used in determining the valuation of the share-based payment arrangements and vesting periods, we consider the Group's calculation of the share-based payment expense to be a key audit matter.

In determining the fair value of the awards and related expense, the Group used assumptions in respect of future market and economic conditions as well as estimates of achievement of certain exploration targets.

Inter alia, our audit procedures included the following:

- i. Verifying the inputs and examining the assumptions used in the Group's valuation of performance rights, being the share price of the underlying equity, time to maturity (expected life) and grant date;
- ii. Challenging management's assumptions in relation to the likelihood of achieving the performance conditions;
- iii. Assessing the fair value of the calculation through re-performance using appropriate inputs; and
- iv. Assessing the accuracy of the share-based payments expense and the adequacy of disclosures made by the Group in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Company to cease to continue as a going concern.

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

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. 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 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.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 24 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of St George Mining Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD (An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd



Martin Michalik
Director

West Perth, Western Australia
1 September 2021

1 Distribution of holders

As at 1 September 2021 the distribution of shareholders was as follows:

Ordinary shares

Size of holding	Number of holders
1 – 1,000	255
1,001 – 5,000	432
5,001 – 10,000	657
10,001 – 100,000	2,045
100,001 and over	986
Total	4,375

2 Voting rights

There are no restrictions to voting rights attached to the ordinary shares. On a show of hands every member present in person will have one vote and upon a poll, every member present or by proxy will have one vote each share held.

3 Substantial shareholders

The company has no substantial shareholders who have notified the Company in accordance with Section 671B of the Corporation Act 2001.

4 Top 20 shareholders

The names of the 20 largest shareholders on the share register as at 1 September 2021, who hold 20.86% of the ordinary shares of the Company, were as follows;

Shareholder	Number
Citicorp Nominees Pty Limited	15,898,152
HSBC Custody Nominees (Australia) Limited	13,080,427
Mr John Prineas	10,504,501
Aee Gold AG	8,536,586
Impulzive Pty Ltd <Dawson Superannuation A/C>	8,504,641
Allcap Pty Ltd <S&L Capannolo Family A/C>	6,361,219
Ms Betty Frilingos	6,318,182
Twynam Investments Pty Ltd	6,097,561
BNP Paribas Noms Pty Ltd <DRP>	5,553,226
Mr Paul Sumade Lee	4,770,833
Mr Lee Ramon Cunnington + Mrs Nancy Lynne Cunnington <L R Cunnington S/F A/C>	4,598,149
Mr Christopher Bell + Mrs Jennifer Bell <C & J Bell Super Fund A/C>	4,402,592
Ms Swee Hoong Tan	4,078,600
Chaos Investments Pty Limited <Alexandrou Family A/C>	3,700,000
Mr Jacques Hughes Lucas	3,800,078
Northmead Holdings Pty Ltd <The Greenwell Family A/C>	3,500,000
Mr Paul Malcolm Koshy	3,403,665
Mrs Karen Dawson	3,294,121
DDH 1 Drilling Pty Ltd	3,106,060
Impulzive Pty Ltd <Dawson Super Fund A/C>	3,096,480

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5 Consistency with business objectives

The Company has used its cash and assets in a form readily convertible to cash that it had at the time of listing in a way the consistent with its stated objectives.

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St George Mining Limited mineral interests as at 1 September 2021

MT ALEXANDER:

Tenement ID	Registered Holder	Location	Ownership (%)
E29/638	Blue Thunder Resources Pty Ltd	Mt Alexander	75
E29/548	Blue Thunder Resources Pty Ltd	Mt Alexander	100
E29/954	Blue Thunder Resources Pty Ltd	Mt Alexander	100
E29/962	Blue Thunder Resources Pty Ltd	Mt Alexander	100
E29/972	Blue Thunder Resources Pty Ltd	Mt Alexander	100
E29/1041	Blue Thunder Resources Pty Ltd	Mt Alexander	100
E29/1093	Blue Thunder Resources Pty Ltd	Mt Alexander	100

PATERSON:

Tenement ID	Registered Holder	Location	Ownership (%)
E45/5226	St George Mining Limited	Paterson	100
E45/5422	St George Mining Limited	Paterson	100

BROADVIEW:

Tenement ID	Registered Holder	Location	Ownership (%)
E70/5525	St George Mining Limited	Broadview	100
E70/5526	St George Mining Limited	Broadview	100

EAST LAVERTON:

Tenement ID	Registered Holder	Location	Ownership (%)
E39/1518	Desert Fox Resources Pty Ltd	East Laverton Property	100
E39/1572	Desert Fox Resources Pty Ltd	East Laverton Property	100
E39/1608	Desert Fox Resources Pty Ltd	East Laverton Property	100
E39/1667	Desert Fox Resources Pty Ltd	East Laverton Property	100
E39/2027	Desert Fox Resources Pty Ltd	East Laverton Property	100
E39/2028	Desert Fox Resources Pty Ltd	East Laverton Property	100
E39/2029	Desert Fox Resources Pty Ltd	East Laverton Property	100
E39/2030	Desert Fox Resources Pty Ltd	East Laverton Property	100

REGIONAL TENEMENTS:

Tenement ID	Registered Holder	Location	Ownership (%)
E69/3772	St George Mining Limited	Gary Highway	100
E70/5626	St George Mining Limited	Boddington East	100

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ST GEORGE
MINING LIMITED