ZULEIKA GOLD

ZULEIKA GOLD LIMITED

(formerly Dampier Gold Limited)

ABN 43 141 703 399

ANNUAL REPORT

for the year ended 30 June 2021

CORPORATE DIRECTORY

Board of Directors

Malcolm Carson	Executive Chairman
Hui Guo	Managing Director (appointed as Managing Director on 9 October 2020)
Graeme Purcell	Non-Executive Director (appointed 8 March 2021)
Peiqi Zhang	Non-Executive Director (resigned 7 March 2021)

Company Secretary

Michael Higginson

Principal & Registered Office

36 Prestwick Drive
Twin Waters, QLD 4564

Postal Address

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Contact Details

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Share Registry

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Nedlands, Western Australia, 6009
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Auditors

Stantons International Audit and Consulting Pty Ltd
Level 2, 1 Walker Avenue
West Perth, Western Australia 6005

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CHAIRMAN'S LETTER

Dear Shareholders

Over the past 12 months Zuleika Gold Limited has focused on increasing the value of the Company's tenement portfolio in the Kalgoorlie - Menzies goldfields.

Our tenements are located in a unique world class geological environment, with gold endowment on our tenements driven by mineralisation events associated with the Boulder-Lefroy shear zone, which hosts the Golden Mile 30km to the southeast.

Zuleika Gold's significant tenement holding makes the Company the 3rd largest landowner along the Zuleika and Kunanalling shears, behind Evolution Mining Ltd and Norton Goldfields Pty Ltd.

Turning to the achievements of the 12 months, the year started with Zuleika Gold continuing exploration at the Credo Gold Project and the Goongarrie and Menzies Gold Projects. That exploration generated a suite of encouraging results, including building on our understanding of the mineralisation controls at Credo associated with that Project's maiden JORC resource.

On 15th July 2020, the Company announced the commencement of a 5,500m drilling program at Paradigm East. The program was designed to test a 2.5km east-west structure which contained high grade intersections identified from previous drilling. The Company's drilling confirmed the persistent presence of gold mineralisation along this structure. Follow-up programs were designed to test the anomalous gold highs generated from our exploration results.

In August and September 2020, the Company announced significant gold results from drilling at Paradigm East and high gold and nickel values from auger sampling at Goongarrie and the confirmation of a new gold zone at Browns Dam.

During the first half of 2021, the Company advanced its exploration at the Zuleika Gold Project, including Paradigm East, Browns Dam, Little T and Breakaway Dam. Gold assay results from the drilling campaigns have been exceptional, demonstrating the persistence of gold mineralisation in this prolific region.

The drilling of some ~30,000m is an outstanding achievement that clearly demonstrates the Company's commitment to the exploration of our substantial tenement holding in the Kalgoorlie-Menzies goldfields.

During the year, the Company continued working with its legal advisors Bennett + Co and has significantly advanced its legal proceedings in the Supreme Court of Western Australia against Vango Mining Limited (ASX: VAN). Zuleika Gold is seeking damages, costs, unpaid royalty payments, milestone payments and an order requiring the transfer of its beneficial interest earned pursuant to the K2 Project Farm-in Joint Venture Binding Terms Sheet signed on 12th May 2017. The Company announced on 30 June 2021 that it has successfully secured, by a Court Order, a 10-day trial commencing on 21 March 2022.

On the corporate front, the Company completed two strongly supported, oversubscribed equity issues raising $7m from current shareholders, sophisticated and institutional investors. These two capital raisings clearly demonstrate the market's confidence in Zuleika as an emerging gold exploration and development company, especially during the global COVID-19 pandemic and persistent worldwide economic and geopolitical trepidations.

In addition, the Company changed its name from Dampier Gold Limited, announced on 4 February 2021, appointed Graeme Purcell as a technical director replacing Mr Peiqi Zhang on 8 March 2021 and obtained official quotation of 46,563,638 options on 29 March 2021.

Your Board believes that the Company's tenement portfolio represents a compelling gold development opportunity. With the prevailing positive outlook for gold, we are confident that with our persistent, targeted systematic exploration in relatively underexplored terrain, the Company will be successful in defining commercially viable gold deposits.

On behalf of the Board, I sincerely thank our shareholders for their ongoing support. In addition, I thank my fellow directors, our management team, staff and contractors for their hard work.

We enthusiastically look forward to continuing to share exciting drilling results as we progress our exploration and development activities over the coming year.

Yours sincerely

Malcolm Carson
Executive Chairman

30 September 2021.

OPERATIONS REPORT

The 2021 financial year has been transformational for the Company's exploration, with extensive drilling program's testing numerous targets at our flagship Zuleika and Credo Projects (Figures 1 and 2).

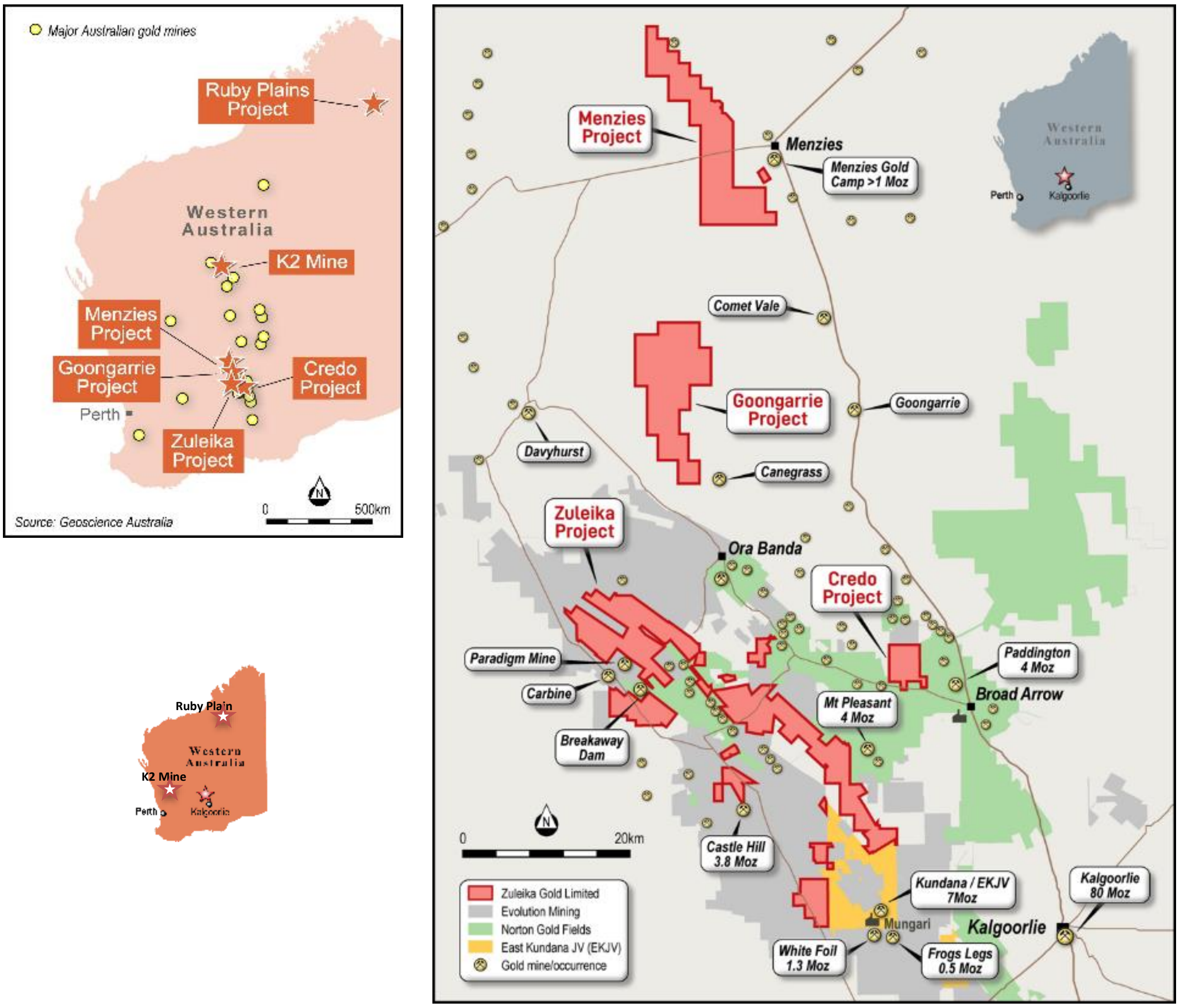

Figure 1 – Location Zuleika Gold's tenement portfolio in Western Australia, showing Evolution and Norton Goldfields (Zyjin) tenements

The drilling built on and enhanced the exploration activity and results for the previous twelve months to 30 June 2020. Targets were defined from a combination of Zuleika Gold's drilling and historical drilling results with geological and geophysical interpretation.

The drilling was very successful, generating encouraging results from multiple targets. Zuleika Gold is currently exploring 12 prospects, comprising:

- Paradigm East
- Browns Dam
- Little T
- Carnage
- Breakaway Dam
- Castle Hill East
- Credo Well
- Credo Well Northwest
- Credo Well Southeast
- Menzies
- Goongarrie
- Ruby Plains

OPERATIONS REPORT

Overview

The Zuleika Project sits within the gold rich Kundana - Ora Banda district of the Kalgoorlie Goldfield and consists of an extensive land holding of ~240km2 (Figure 1). The Project is positioned along a series of significant regional scale and gold-fertile shear zones, namely: - the Zuleika, Kunanalling and Carnage shears (Figure 2) - within highly prospective stratigraphy which has been the host to more than 20 million ounces of gold production over the last 30 years.

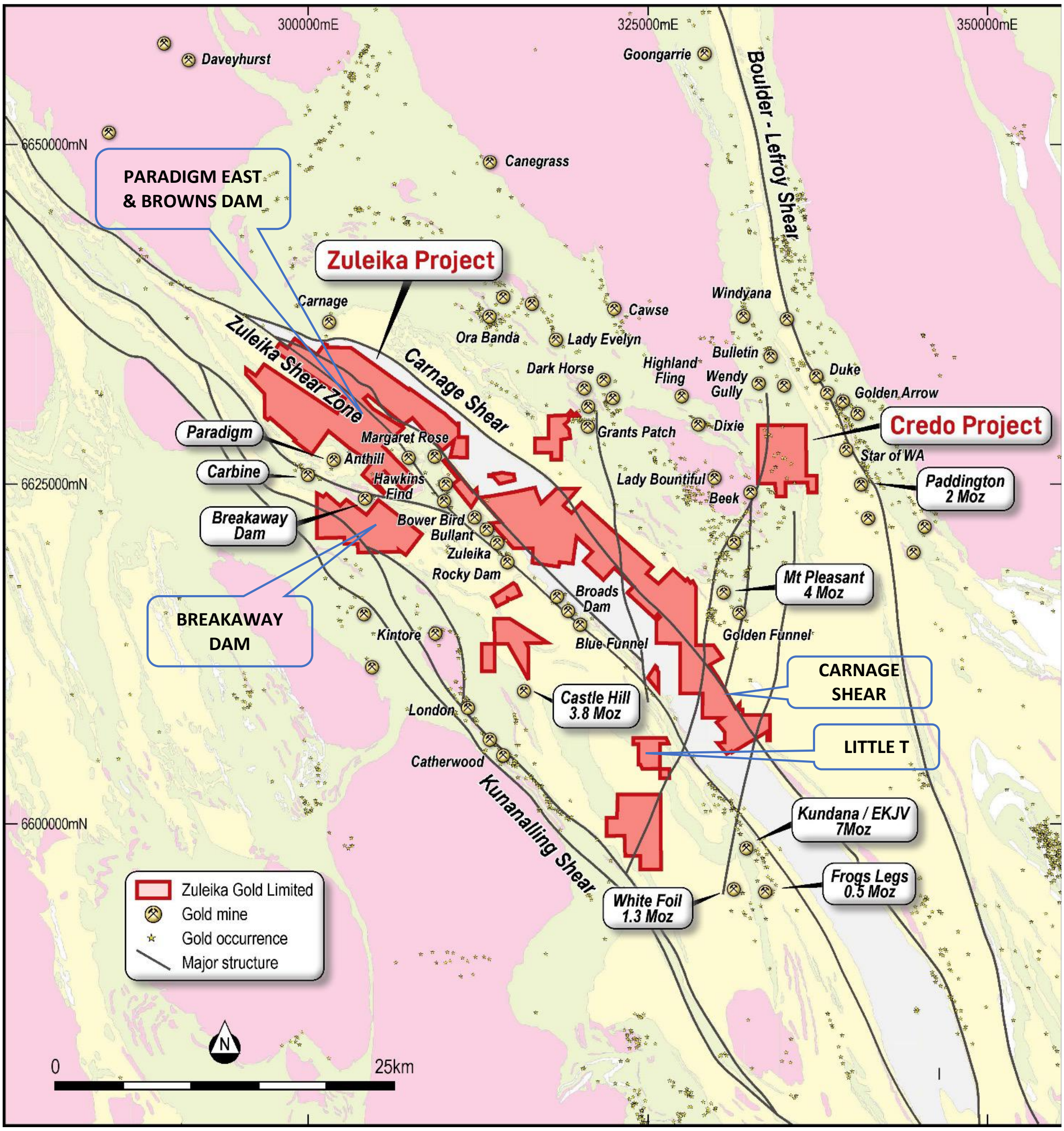

Figure 2 – Location of the Zuleika and Credo Projects along major gold fertile shear zones.

The Zuleika and Kunanalling shears are splays off the geologically unique "world-class" gold endowed Boulder-Lefroy shear system which hosts the exceptional gold endowed Golden Mile (mined and current resources ~ 80 to 100moz) and numerous mines along its regional strike, including the Menzies Gold field and Broad Arrow (4moz).

The prospectivity at Credo and Menzies is driven by their proximity to the Boulder-Lefroy shear zone and with Zuleika, Carnage and Kunanalling shears being splays off this major shear zone.

Zuleika Gold has shown from its 2020-2021 programs that with persistent focussed and systematic exploration in relatively underexplored terrain it has successfully defined the persistent presence of gold mineralisation. The Company expects and that there is a high probability of defining commercially viable gold deposits with the continuation of detailed focussed exploration.

OPERATIONS REPORT

Overview

During the second half of 2020, targeted drilling continued to generate excellent results, primarily from Aircore (AC) and Reverse Circulation (RC) drilling at the Paradigm East Prospect. Subsequently on 1 February 2021, the Company announced the commencement of a 30,000m exploration program which was designed to advance its exploration of the Zuleika and Credo Projects, together with testing new prospect areas along the Zuleika and Carnage shears and at Goongarrie and Menzies with shallow auger drilling and early-stage reconnaissance exploration (soil sampling).

The Company continued to advance its program and by the end of June 2021 had drilled 19,767m (~59%) of the 2021 planned 30,000m program (Tables 1 and 2). Drilling focussed on follow-up AC and RC programs at Paradigm East; commencing a first pass AC program at Breakaway Dam; completing a follow-up RC program at Credo testing strong gold in soil anomalies located between the Credo Well and Credo Well North JORC Resources (ASX: Ann. 2 June 2020); and to the southeast along an interpreted mineralised corridor. The Company has also completed a series of surface geochemical sampling programmes to generate the next phase of targets for drill testing (Table 3).

A summary of Zuleika Gold's exploration over the period is set out in the following tables (Table 1 and 2).

DRILLING					
Project	Drilling type	01/07/2020 - 31/12/2020		01/01/2021 - 30/06/2021	
		Metreage	Number of Holes	Metreage	Number of Holes
Credo	AC				
	RC			2,483	27
	Total			2,483	27
Zuleika	AC	4,232	85	15,894	293
	RC	1,436	12	1,390	11
	Total	5,668	97	17,284	304
Total Zuleika + Credo		5,668	97	19,767	331

Table 1 – Zuleika Gold drilling by Project FY2021

Drilling by Prospect				
Prospect	*# AC holes*	*Drilled meters AC*	*# RC holes*	*Drilled meters RC*
Paradigm East	97	5,578	11	1,390
Browns Dam	47	2,979	0	0
Kundana	28	725	0	0
Carnage	20	1,133	0	0
Credo Well	0	0	27	2,483
Breakaway Dam	101	5,479	0	0
TOTAL 2021	**293**	**15,894**	**38**	**3,873**

Table 2 – Zuleika Gold drilling by Prospect FY2021

SOILS		
Project	Sample type	01/01/2020 - 30/06/2020
		Number of Samples
ZULEIKA	Soils	3,336
GOONGARRIE	Auger	734
MENZIES	Auger	568
Total Soils		4,638

Table 3 – Zuleika Gold soils and auger sampling FY2021

Highlights from the 2020/2021 financial year Quarterly Reports:

To explain our exploration efforts and demonstrate the persistence and success of this work, the following represents the highlights reported for each of the quarters making up the 2020/2021 financial year.

September 2020 Quarterly (ASX : Ann. 30 October 2020)

September 2020 quarter was highly productive and rewarding, during which the Company added significant shareholder value by aggressively advancing its exploration at the Credo, Paradigm East, Browns Dam, Goongarrie and Menzies Projects. Gold assay results from these and follow-up drilling campaigns have been exceptional at several project areas, in particular at Paradigm East.

Highlights for the September 2020 Quarter included:

- **Commenced and completed Phase 1 (RC) and follow-up Phase 2 (AC) drilling at Zuleika shear Paradigm East Project with spectacular results including 24m @ 6.39g/t Au, including 4m @ 34.74 g/t Au.**
- **Discovered a new gold zone at Browns Dam with over 2km strike.**

Follow-up soil program at the Credo Gold Project confirmed the presence of anomalous gold in the predicted high-grade corridor between Credo Well North and Credo Well.

OPERATIONS REPORT

Overview

Completed auger drilling at Goongarrie, which confirmed anomalous gold and nickel values.

Completed an auger drilling program at Menzies.

December 2020 Quarterly (ASX: Ann. 29 January 2021)

The Company conducted extensive exploration activity for the 3-month period ended 31 December 2021. Compared to the September quarter, it was an even more productive and rewarding period, further advancing exploration at Paradigm East, Browns Dam, Goongarrie, Menzies and follow-up work at Credo.

Furthermore, during the quarter the Company completed the planning for a 30,000m exploration program which was scheduled to commence at the end of January 2021, (announced 17 December 2020).

Highlights for the December 2020 Quarter included:

- ***Completed RC and AC drilling at Paradigm East with high grade gold results including 24m @ 6.39g/t Au, including 4m @ 34.74 g/t Au.***
- ***Discovered a new gold zone at Browns Dam with over 2km strike with a peak result of 5m @ 3.1 g/t from 38m depth.***
- ***Completed a comprehensive soil program at Credo, confirming a broad zone of anomalous gold and arsenic defining a hydrothermal gold system with two kilometres of strike.***
- ***Completed auger drilling at Goongarrie, confirming anomalous gold and nickel values.***
- ***Completed an auger drilling program at Menzies, generating encouraging anomalous gold results.***
- ***Secured a $6,000,000 capital raising and planned an aggressive 2021 exploration program comprising 30,000m of RC and AC drilling.***

March 2021 Quarterly (ASX: Ann. 30 April 2021)

The Company reported the achievement of several milestones, including extensive exploration activity for the quarter. On 1 February 2021, the Company announced the commencement of its 30,000m exploration program, which was designed to advance exploration at the Zuleika shear projects, namely Paradigm East and Browns Dam and follow-up work at Credo Well; together with testing new prospect areas with drilling and early-stage reconnaissance exploration.

Highlights for the March 2021 Quarter included:

- **Completed the first phase (10,415m) of the 2021 Stage 1 30,000m drill program.**
- **First phase of the 2021 AC drilling program at Paradigm East consisted of 97 holes for a total of 5,578m.**
- **First results on 4m composite samples from the Paradigm East AC returned high grade gold intersections, included 12m @ 3.3 g/t Au from 68m including 4m @ 6.0 g/t Au from 72m (announced 24 March 2021).**
- **Drilling confirmed two sub-parallel gold mineralisation surfaces potential along the partially tested 1.8km of the 2.5km structural corridor with high grade hits.**
- **AC drilling was completed at Browns Dam (2,979m) and two new prospects, Little T (725m) and Carnage shear (1,133m) on the eastern side of the Kurrawang Basin, parallel to the Zuleika shear.**
- **Completion of a comprehensive soil program at Credo, which confirmed a broad zone of anomalous gold and arsenic defining a hydrothermal gold system with two kilometres of strike (announced 21 January 2021).**

June 2021 Quarterly (ASX: Ann. 30 July 2021)

During the quarter the Company continued to advance its AC and RC drilling programs at Credo and at Paradigm East, Browns Dam, Little T and Breakaway Dam. Once again, highly encouraging results were returned.

Highlights for the June 2021 Quarter included:

- **Commenced the planned 7,300m second phase of the 30,000m drill program.**
- **59% of the planned 30,000m exploration program completed.**
- **At Paradigm East a total of 97 AC holes for 5,578m and 11 RC holes for 1,390m was completed.**
- **Spectacular results were received from Paradigm East including:**
  - 4m @ 17.5 g/t Au from 75m, including 1m @ 66.1g/t Au (2.13 ounces/t) from 76m in DPEAC087;
  - 11m @ 3.9g/t Au from 48m, including 6m @ 6.6g/t Au from 52m in DPEAC095.
- **Results from first pass AC drilling at Browns Dam and Little T included:**
  - 1m @ 1.5g/t Au within 10m @ 0.4g/t from 36m in DBDAC058, and
  - 9m @ 0.6g/t from 24m in DKNAC028.
- **Drilling commenced at Breakaway Dam, adjacent to and immediately west of Norton Goldfields' Breakaway Dam Gold Mine. 18 AC holes for 696m were completed.**
- **Ultrafine+ soil sampling on previously undrilled areas of transported cover throughout the Zuleika Project (230km2), returned targets to be drill tested.**
- **At Credo, 27 RC holes for 2,483m were completed to test the strong gold in soil anomalies defined earlier this year (ASX: Ann. 21/01/2021).**

OPERATIONS REPORT

Exploration Strategy

On 17 December 2020 Zuleika Gold announced a 30,000m RC and AC exploration program following a successful over-subscribed two tranche capital raising of $6 million led by Canaccord Genuity (announced on 7 December 2020).

Since January 2021, the Company has completed 19,767m (59%) of this program.

Results to date from the 2021 program have confirmed the highly prospective nature of the Company's gold project portfolio and support its strategy to test known targets for continuity of mineralisation and to simultaneously define new potential targets in new prospects.

The work continues to be undertaken in a highly efficient and effective manner by Zuleika Gold's technical and drilling teams.

In addition to the drilling, Zuleika Gold will continue to systematically carry out soil sample surveys on several other tenements in the Company's portfolio using the cutting-edge Ultrafine+ assay technique developed by the CSIRO, which is an excellent tool for defining subtle gold anomalies in soil covered terrain, generating more targets to drill test.

Exploration will focus on:

- **advancing existing resources**
- **advancing the data on mineralised zones to move these to resources**
- **identifying additional mineralisation and extensions and significant gold systems**
- **deploying reconnaissance exploration techniques to define new targets in untested tenements**

The exploration strategy is producing consistent gold results, allowing the ranking of the prospects in terms of which has the best chance of producing economic resources. The results have confirmed our working geological models, which are providing increasing confidence that our exploration goals will be achieved.

Zuleika Gold is working towards compiling a definitive release of the work completed, the related results; together with a discussion on planned follow up drilling at Zuleika, Credo, Menzies and Goongarrie projects and planned drilling on new prospects. In addition, the Company is constantly looking for and evaluating new project opportunities.

Competent Persons Statement

Mr Malcolm Carson has compiled information in this report from information and exploration results supplied to Dampier Gold Limited. Malcolm Carson has sufficient experience that is relevant to the style of mineralisation, the types of deposits under consideration and to the activity that he is undertaking and qualifies as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code"). Mr Carson is a Member of the Australian Institute of Mining and Metallurgy (AusIMM) and Australian Institute of Geoscientists (AIG) and is a Director of Dampier Gold Limited, Allegiance Coal Limited, CZR Resources Limited and Pacific Wildcat Resources Corporation. Mr Carson consents to the inclusion in the report the matters based on the information in which it appears.

OPERATIONS REPORT

Tenement Holdings as at 16 September 2021

TENEMENT HOLDING

Tenement ID	Status	Current Area HA	Locality
E80/5143	Live	170 BL	Ruby Plains
E80/5144	Live	21 BL	Flora Valley
E80/5162	Live	20 BL	Ruby Plains
E80/5291	Live	10 BL	Ruby Plains
E80/5292	Live	14 BL	Ruby Plains
E80/5293	Live	4 BL	Ruby Plains
E80/5294	Live	6 BL	Ruby Plains
E80/5295	Live	29 BL	Wolfe Creek
P16/3223	Live	171.01	Leo Dam
P16/3224	Live	111.12	White Elephant Dam
P16/3225	Live	191.56	Balgarrie East
P16/3226	Live	196.71	Balgarrie East
P16/3227	Live	196.63	Balgarrie East 3
P16/3228	Live	197.00	Balgarrie East 4
P16/3229	Live	199.47	Balgarrie East 5
P16/3236	Live	179.89	Balgarri
P16/3237	Live	171.66	Balgarri (2)
P16/3238	Live	174.52	Balgarri West
P29/2573	Live	196.27	Menzies (1)
P29/2575	Live	199.16	Menzies (3)
P29/2576	Live	199.24	Menzies (4)
P16/3268	Pending	123.00	Balgarrie 1
P16/3269	Pending	180.00	Balgarrie 2
P16/3270	Pending	186.00	Balgarrie 3
P16/3274	Pending	148.00	Balgarrie South
P16/3275	Pending	140.00	Balgarrie South
P24/5434	Pending	48.00	Browns Lagoon
P29/2574	Pending	193.00	Menzies (2)
E29/1051	Live	55 BL	Goongarrie West
E29/1052	Live	70 BL	Menzies West

Tenement ID	Status	Current Area HA	Locality
M24/975	Pending	1,589.00	Credo Well
P24/4418	Live	155.00	Credo Well
P24/4419	Live	133.00	Credo Well
P24/4420	Live	150.00	Credo Well
P24/4421	Live	160.00	Credo Well
P24/4422	Live	131.00	Credo Well
P24/4423	Live	106.00	Credo Well
P24/4424	Live	104.00	Credo Well
P24/4425	Live	137.00	Credo Well
P24/4426	Live	128.00	Credo Well
P24/4427	Live	85.00	Credo Well
P24/4428	Live	120.00	Credo Well
P24/4429	Live	150.00	Credo Well
P24/4468	Live	46.00	Credo Well
P24/4996	Live	86.00	Rose Dam East
P24/5247	Live	8.78	Credo Well

Tenement ID	Status	Current Area HA	Locality
E24/190	Live	7 BL	White Flag Lake
M16/229	Live	191.00	Zuleika
M16/491	Live	218.00	Hawkins Find
P16/2837	Live	153.00	Balgarrie
P16/2843	Live	36.00	Balgarrie West
P16/2853	Live	62.00	Balgarries
P16/2882	Live	121.00	Breakaway Dam
P16/2884	Live	165.00	O'Loughlin
P16/2885	Live	95.00	O'Loughlin Dam
P16/2896	Live	160.00	O'Loughlin Dam
P16/2902	Live	78.10	Kundana - North of
P16/2943	Live	180.00	4Kms East of Kintore
P16/2944	Live	175.00	Red Dam
P16/2945	Live	145.00	Breakaway Dam
P16/2946	Live	196.00	Breakaway Dam
P16/2947	Live	186.00	Breakaway Dam
P16/2948	Live	198.00	O'Loughlin Dam
P16/2949	Live	178.00	O'Loughlin Dam
P16/2950	Live	184.00	Brown Dam
P16/2951	Live	196.00	Carbine
P16/2952	Live	196.00	Carbine
P16/2953	Live	180.00	Chadwin Dam
P16/2959	Live	194.00	Halfway Dam
P16/2960	Live	200.00	Kintore East
P16/2964	Live	45.50	2km's East of Star Dam
P16/2965	Live	194.00	Star Dam
P16/2966	Live	142.00	Number 2 Dam
P16/2967	Live	70.00	Number 2 Dam
P16/3161	Live	196.52	12 Mile Dam
P16/3162	Live	199.85	Broad Dam
P16/3174	Live	164.11	4kms West Breakaway Dam
P16/3175	Live	194.04	3kms NE of George Dam
P16/3176	Live	201.74	2kms NE of George Dam
P16/3177	Live	193.74	2kms SW Breakaway Dam
P16/3178	Live	193.04	4kms East George Dam
P16/3210	Live	47.26	Rocky Dam Zuleika
P24/4679	Live	175.00	White Flag Lake
P24/4749	Live	8.01	White Flag Lake
P24/4827	Live	192.00	Stack Dam
P24/4828	Live	136.30	Crown Dam
P24/4933	Live	195.37	Leo Dam West
P24/5078	Live	180.00	Brown Dam
P24/5079	Live	122.00	Chadwin Dam
P24/5080	Live	134.00	Chadwin Dam
P24/5081	Live	174.50	Chadwin Dam
P24/5332	Live	170.41	Gum Tree Dam

DIRECTORS' REPORT

The Directors of Zuleika Gold Limited (**ZAG** or the **Company)** (formerly Dampier Gold Limited) submit their Annual Financial Statements for the financial year ended 30 June 2021.

Directors

The names and particulars of the Directors of the Company in office during the year and until the end of the financial year are as follows. Directors were in office for the entire year unless otherwise stated.

Malcolm Carson, Executive Chairman

Mr Malcolm Carson (BSc, MSc, AUSIMM, AIG) has over 40 years' experience in the resource sector including field exploration geologist and commercial evaluation of mineral resources and project finance. Mr Carson has held senior positions in exploration and mining companies, the West Australian Government, investment banks and executive roles in ASX and TSX publicly listed companies.

Mr Carson is a director of Allegiance Coal Limited (ASX: AHQ), a director of CZR Resources Limited (ASX: CZR) and the Canadian listed company Pacific Wildcat Corporation.

Hui Guo, Managing Director (appointed as Managing Director 9 October 2020)

Ms Hui Guo has more than 19 years' experience in mining M&A, capital raising and corporate governance and has led a number of acquisitions and investments in near-term production opportunities. Ms Guo is also the founder of Westlink Capital, a funding platform for facilitating and co-investing Australian resource sector projects with value uplift for Australian and Asian investors. Ms Guo was previously a senior manager at PricewaterhouseCoopers in the finance sector. Ms Guo has formidable skills in mining and resources sector M&A, deal structuring, project funding and project valuation.

Ms Guo is a director of Azure Minerals Limited (ASX: ASZ) and CZR Resources Limited (ASX: CZR).

Graeme Purcell, Non-Executive Director (appointed 8 March 2021)

Mr Graeme Purcell (BSc Hons) is a highly regarded exploration geologist with more than 25 years national and international experience with major and junior resource companies including Homestake Mining, Barrick Gold and Black Fire Minerals. More recently, he has been working in a consulting capacity.

He has extensive experience, knowledge and understanding of geological processes and mineral systems. He has participated in delivering significant mineral discoveries over a diverse range of geological terranes and jurisdictions, including Australia, Papua New Guinea, Tanzania and the USA.

Mr Purcell is a director of Boadicea Resources Limited (ASX: BOA).

Peiqi Zhang, Non-Executive Director (resigned 7 March 2021)

Mr Peiqi Zhang has more than 30 years' experience and knowledge in the Chinese mining industry. Mr Zhang is the Chairman and founder of China Shanxi Guxian Jin Yu Coking Co., Ltd, Chairman of Inner Mongolia Jiyuan Iron and Steel Company, a senior member of Shanxi Province Federation of Industry and the Standing Committee, and a senior member of the CPPCC Standing Committee of Linfen City. China Shanxi Guxian Jin Yu Coking Co., Ltd mining enterprise has annual sales income of more than one billion Yuan, fixed assets of 500 million Yuan, employs 650 workers and has an annual production of 800,000 tons of coal. He is also a fellow of world academy of productivity science, and the Vice President of Glory Institution, a well-known charity organisation in China. Mr Zhang is one of the prominent leaders in the mining industry of Shanxi Province.

Company Secretary

Michael Higginson

Mr Higginson is the holder of a Bachelor of Business Degree. Mr Higginson was formerly an executive officer with the Australian Securities Exchange and has, over the last 33 years, held numerous company secretarial and directorship roles with a range of public listed companies both in Australia and the UK.

Mr Higginson is a director of SportsHero Limited (ASX: SHO) and Cape Range Limited (ASX: CAG).

DIRECTORS' REPORT

Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the Directors in the shares, unlisted options and performance rights of Zuleika Gold Limited are:

Director	Directors interests in ordinary shares		Directors interests in unlisted options		Directors interests in performance rights	
	Current holding	Net increase/ (decrease)	Current holding	Net increase/ (decrease)	Current holding	Net increase/ (decrease)
Malcolm Carson	8,020,992	1,273,305 (iii)	10,000,000	7,000,000 (i)	16,000,000 (i)	12,000,000 (i)
Hui Guo	17,000,000	11,000,000 (ii)	90,000,000	87,000,000 (i & ii)	16,000,000 (i)	12,000,000 (i)
Graeme Purcell	-	-	-	-	-	-

(i) Following the receipt of shareholder approval on 11 December 2020, the Company issued 12,000,000 performance rights and 10,000,000 options for nil consideration to the nominees of each of Mr Carson and Ms Guo. On 31 July 2021, 3,000,000 options held by Mr Carson and 3,000,000 options held by Ms Guo expired.

(ii) Following the receipt of shareholder approval on 11 December 2020, the Company issued 10,000,000 shares, at an issue price of $0.03per share (raising $300,000 in working capital), granted 80,000,000 options in consideration for the establishment of a $700,000 loan facility and issued 1,000,000 shares in lieu of payment of a $30,000 loan facility fee to Auracle Group Pty Ltd (an entity associated with Hui Guo).

(iii) Mr Carson acquired 373,305 shares on-market and 900,000 shares off market.

Principal Activities

The principal activities of the Company during the year was the exploration of the Company's Western Australian tenement portfolio, the dispute in relation to the farm-in joint venture with Vango and the evaluation of other gold project joint ventures and asset sales.

Financial Review

During the year, the Company changed its accounting policy and commenced capitalising total exploration expenditure to the statement of financial position. The total capitalised for the year was $2,604,603 in addition to an amount of $66,818 for the purchase of the Ord Banda tenements in January 2021.

The loss from ordinary operations increased as a consequence of recognising share based payments from the issue of options and performance rights to directors and an increase in legal fees in preparation of the trial with Vango.

The Company's net asset position increased from $3,398,733 (restated) to $7,900,512. Net operating cash outflow were $1,083,905 and net capitalised exploration expenditure was $2,172,347, offset by the issue of shares which raised $6,342,142 before costs.

As at 30 June 2021, cash and cash equivalents totalled $4,892,691 (2020: 2,178,953).

Operating Results for the Year

Summarised operating results are as follows:

	2021	
	Revenues $	Results $
Revenues and (loss) from continuing operations before tax	**11,634**	**(6,176,821)**

Shareholder Returns

Profit/(loss) per share	2021	RESTATED 2020
From continuing operations		
Basic (loss) per share (cents)	**(1.81)**	**(0.81)**
Diluted (loss) per share (cents)	**(1.81)**	**(0.81)**

The Company is in a loss position, therefore, the rights and options are not dilutive in nature.

DIRECTORS' REPORT

Risk Management

The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the Board.

Given the size of the Company, the number of employees and the scale of its present activities, the Board is of the view that, at this stage, a separate risk committee is not necessary. The Company believes that it is important for all Board members to be a part of the risk management process and accordingly such matters of risk are discussed and dealt with by the Board.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks and opportunities identified by the Board. These include the following:

- Board oversight and approval of Company activities and reporting obligations.
- delegated authority limits exist in respect of financial expenditure and other business activities.
- a comprehensive insurance program is undertaken.

Significant Changes in the State of Affairs

On 3 August 2020, the Company issued the following securities:

- 15,454,545 fully paid ordinary shares at an issue price of $0.022 per share to clients of Alto Capital
- 1,000,000 fully paid ordinary shares at an issue price of $0.022 a share to sophisicated investors
- 5,000,000 options each exercisable at $0.05 and expiring on 31 March 2022 to the nominees of Alto Capital
- 10,000,000 options each exercisable at $0.15 and expiring on 1 August 2022 to Torian Resources Ltd

On 13 August 2020, the Company issued 520,000 fully paid ordinary shares at an issue price of $0.03 to consultants.

On 15 September 2020, the Company announces the results of a phase 1 RC drilling program at Paradigm East at the Zuleika Project and on 29 September 2020 announced that follow-up drilling had commenced at Paradigm East.

On 9 October 2020, the Company announced that Ms Annie Guo had been promoted to the position of Managing Director.

On 15 October 2020, the Company announced the discovery of a new gold zone at Brown's Dam.

On 28 October 2020, the Company announced spectacular Aircore drilling results at Paradigm East, including 24m @ 6.39 g/t Au (which contained 4m @ 34.74 g/t Au) and 8m @ 2.2 g/t Au (which contained 4m @ 3.3 g/t Au).

On 11 November 2020, the Company announced that it had reached agreement with Auracle Group Pty Ltd (a company associated with Ms Guo) (Auracle) whereby Auracle agreed (subject to the receipt of shareholder approval) to subscribe for an initial share placement of $300,000 and provide a loan of up to a further $700,000 (Loan). The $300,000 share placement and the Loan is to be applied, as required, towards the ongoing costs associated with the litigation against Vango Mining Limited and Dampier (Plutonoc) Pty Ltd.

On 12 November 2020, the Company announced the discovery of high gold values at its Menzies Gold Project.

On 30 November 2020, the Company issued 535,715 shares following the exercise of 535,715 options each exercisable at $0.06 and expiring 30 November 2020.

On 7 December 2020, the Company announced the receipt of firm commitments to raise $6,000,000 via a two-tranche placement of a total of 109,090,910 shares at an issue price of $0.055 per share and the granting of 36,363,638 attaching free options each exercisable at $0.10 and expiring 31 Janaury 2023 (New Options).

On 14 December 2020, the Company completed tranche 1 of the placement and issued 44,505,101 fully paid ordinary shares at an issue price of $0.055 per share and granted 14,835,034 New Options to sophisticated investors. In addition, the Company issued 1,040,909 fully paid ordinary shares at an issue price of $0.055 per share to extinguish debts totalling $57,250 and a further 1,200,000 options each exercisable at $0.05 and expiring 14 December 2022 for payment of services worth $10,000 .

Following the receipt of shareholder approval, on 14 December 2020 the Company issued the following securities;

- 10,000,000 fully paid ordinary shares at an issue price of $0.03 per share and 80,000,000 options each exercisable at $0.05 and expiring 14 December 2025 were issued to Auracle;
- 1,000,000 fully paid ordinary shares were issued to Auracle, in lieu of paying the Loan establishment fee of $30,000.
- 4,000,000 Class A, 4,000,000 Class B and 4,000,000 Class C performance rights expiring on 14 December 2023 and 10,000,000 options each exercisable at $0.05 and expiring 14 December 2023 were issued to Auracle; and
- 4,000,000 Class A, 4,000,000 Class B and 4,000,000 Class C performance rights expiring on 14 December 2023 and 10,000,000 options each exercisable at $0.05 and expiring 14 December 2023 were issued to an entity associated with Mr Carson.

On 1 February 2021, the Company announced the commencement of a +30,000m drilling program targeting growth and new discoveries.

DIRECTORS' REPORT

Significant Changes in the State of Affairs

On 3 February 2021, the Company's name changed from Dampier Gold Limited to Zuleika Gold Limited.

Following the receipt of shareholder approval, on 10 February 2021 the Company issued 64,585,809 fully paid ordinary shares at an issue price of $0.055 per share and granted 21,528,604 New Options to sophisticated investors, being tranche 2 of the placement.

On 10 February 2021, the Company issued the following securities:

- 572,362 fully paid ordinary shares at an issue price of $0.06115 per share in consideration for the acquisition of two prospecting licences;
- 100,000 fully paid ordinary shares at an issue price of $0.05 per share to extinguish debts totalling $5,000;
- 1,420,706 fully paid ordinary shares at an issue price of $0.04575 per share to extinguish debts totalling $65,000;
- 500,000 fully paid ordinary shares at an issue price of $0.05 per share to extinguish debts totalling $25,000; and
- 872,231 fully paid ordinary shares at an issue price of $0.055 per share to extinguish debts totalling $47,973

On 7 March 2021, Mr Peiqi Zhang resigned as a director.

On 8 March 2021, Mr Graeme Purcell was appointesd as a director.

Following the receipt of shareholder approval, on 18 March 2021 10,000,000 options each exercisable at $0.10 and expiring 31 January 2023 were granted to CG Nominees (Australia) Pty Ltd in part consideration for Canaccord Genuity (Australia) Limited being appointed as lead manager.

On 29 March 2021, the Company issued 200,000 options each exercisable at $0.10 and expiring 31 Janaury 2023 at an issue price of $0.005 per option, raising $1,000 in working capital.

On 18 May 2021, the Company confirmed the presence at Paradigm East of two sub-parallel gold mineralisation surfaces along the 2.5km structural corridor and spectacular drilling results, including 1m @ 66.1 g/t Au and 11m @ 3.9 g/t Au.

On 30 June 2021, the Company announced that the Supreme Court trial dates for the Company's litigation against Vango Mining Limited have been set to commence on 21 March 2022.

Other than as disclosed in this Report, no other significant changes in the state of affairs of the Company occurred during the financial year.

Significant Events after the Balance Date

On 27 July 2021, the Company announced continuous high grade result at Paradigm East, including 4m @ 4.93 g/t Au from 71m and 10m @ 2.53 g/t Au from 51m.

On 4 August 2021, the Company announced high grade results at Credo, including 7m @ 5.22 g/t Au from 89m and 3m @ 1.54 g/t Au from 132m.

On 15 September 2021, the Company announced the presence of broad gold zones at bothe Breakaway Dam and Credo Well.

No other matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

Likely Developments and Expected Results

The Company will continue to explore its existing resource projects and search for new resource projects or other new business opportunities that have the potential to generate positive cash flows and enhance shareholder value. Activity levels will, however, be impacted by the state of the equity markets, the expectations of vendors and the ability of the Company to raise funds for any new acquisition and working capital. In addition, the Company will continue to pursue Vango Mining Limited seeking damages, costs and an order requiring the transfer of its beneficial interest earned pursuant to the K2 Project Farm-in Joint Venture Binding Terms Sheet signed on 12th May 2017.

Environmental Regulation and Performance

The Company is subject to significant environmental regulation with respect to its exploration activities.

The Company aims to ensure the appropriate standard of environmental care is achieved and, in doing so, so far as it is aware, is in compliance with all environmental regulation. The Directors of the Company are not aware of any breach of environmental legislation for the year under review.

DIRECTORS' REPORT

Remuneration Report (Audited)

The remuneration report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration

B. Details of remuneration

C. Service agreements

D. Share-based compensation

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001.*

A. Principles used to determine the nature and amount of remuneration

The remuneration policy has been designed to align Director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives. The Board of Zuleika Gold Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain appropriately qualified Directors and executives to run and manage the Company.

The remuneration policy, setting the terms and conditions for executive Directors and other senior executives, was developed by the Board. Executives receive a base salary (which is based on factors such as experience and skills) and superannuation. The Board reviews executive packages annually and determines policy recommendations by reference to the Company's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

Executives receive a superannuation guarantee contribution required by the government, which is currently 10% (increasing from 9.5% on 1 July 2021), and do not receive any other retirement benefits.

All remuneration paid to Directors and executives is valued at the cost to the Company and expensed.

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews the remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when or if required (no remuneration consultants were used during the year ended 30 June 2021). 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 (currently $300,000). Fees for Non-Executive Directors are not linked to the performance of the Company.

Performance based remuneration

The Company has no short term incentives included in executive remuneration packages.

Company performance, shareholder wealth and Directors' and executives' remuneration

No relationship exists between shareholder wealth, Directors' and executive remuneration and Company performance.

B. Details of remuneration

Details of remuneration of the Directors and other key management personnel (as defined in *AASB 124 Related Party Disclosures)* of Zuleika Gold Limited are set out in the following table.

The key management personnel of Zuleika Gold Limited are the Directors and Company Secretary, as listed on page 10.

Given the size and nature of operations of Zuleika Gold Limited, there are no other personnel who are required to have their remuneration disclosed in accordance with the Corporations Act 2001.

The tables below show the 2021 and 2020 figures for remuneration received by the Directors and other key management personnel.

	Short Term			Post-employment				
	Salary & fees	Bonus	Non-Monetary benefits (i)	Superannuation	Retirement benefits	Share-based payments (iii)	Total	Proportion of remuneration performance related
2021	$	$	$	$	$	$	$	%
Directors								
Malcolm Carson (ii)	231,000	-	4,688	3,420	-	470,838	709,946	66
Hui Guo	231,000	-	4,688	3,420	-	470,838	709,946	66
Graeme Purcell	42,323	-	1,475	1,076	-	1,682	46,556	4
Peiqi Zhang	24,774	-	3,211	-	-	-	27,985	–
Other key management personnel								
Michael Higginson	40,771	-	4,688	-	-	-	45,459	–
Total	**569,868**	-	**18,750**	**7,916**	-	**943,358**	**1,539,892**	

(i) Relates to Directors and Officers Indemnity Insurance paid on behalf of the Directors and Officers of the Company.

(ii) Mr Carson's short term and post-employment benefits were paid to Mineral Resource Consultants Pty Ltd, a company controlled by Mr Carson (Refer note 20 - Key management personnel disclosures).

(iii) On 11 December 2020, the Company issued 10,000,000 options nil consideration to the nominees of each of Mr Carson and Ms Guo. The options were valued using a Black Scholes pricing model. The Company also issued 12,000,000 Performance Rights with specific hurdles outlined below. Mr Purcell has executed a contract with the Company that provides for the issue of 1,000,000 options which are subject to shareholder approval.

	Short Term			Post-employment				
	Salary & fees	Bonus	Non-Monetary benefits (i)	Superannuation	Retirement benefits	Share-based payments (iii)	Total	Proportion of remuneration performance related
2020	$	$	$	$	$	$	$	%
Directors								
Malcolm Carson (ii)	166,000	-	4,216	3,420	-	47,486	221,122	21
Peiqi Zhang	36,000	-	4,216	-	-	-	40,216	–
Hui Guo	166,000	-	4,216	3,420	-	47,486	221,122	21
Other key management personnel								
Michael Higginson	37,350	-	4,216	-	-	-	41,566	–
Total	**405,350**	**-**	**16,864**	**6,840**	**-**	**94,972**	**524,026**	

(i) Relates to Directors and Officers Indemnity Insurance paid on behalf of the Directors and Officers of the Company.

(ii) Mr Carson's short term and post-employment benefits were paid to Mineral Resource Consultants Pty Ltd, a company controlled by Mr Carson (Refer note 18 - Key management personnel disclosures).

(iii) On 14 January 2020 the Company issued 3,000,000 fully paid shares for nil consideration to the nominess of each of Mr Carson and Ms Guo. The shares were valued at the last traded price of the Company's shares on the ASX on the date of shareholder approval being 19 Decdember 2019. The Company also issued 8,000,000 performance rights on that date which are subject to vesting conditions outlined in section D below.

C. Service Agreement

In addition to the payment of director fees of $36,000 per annum, on 8 March 2021, the Company entered into a Consultancy Agreement with Mr Purcell whereby the Company it has agreed to engage Mr Purcell as the Company's Exploration Manager on a part time basis, for an initial term of two years and a consideration of $10,000 per month.

In accordance with the Agreement, Mr Purcell may elect to receive shares in the Company in lieu of cash calculated at a 10% discount to the 30-day VWAP of the Company's shares as at the date of entitlement - subject to receiving the necessary shareholder approval and in the event of no shareholder approval, then the cash amounts shall be payable to Mr Purcell.

In addition, and as soon as practicable after the receipt of the necessary shareholder approval the Company will pay to the Consultant a sign-on fee of 1,000,000 options each exercisable at $0.10 and an expiry date which is 3 years from their date of issue.

In respect of the first year of the Agreement as an incentive for Mr Purcell, the Company has agreed to seek the approval of its shareholders at the next general meetings of the Company, to the grant of fully paid ordinary shares or options in the Company to a value of no less than $30,000, and such incentive should continue for each year during the term of the Agreement provided Mr Purcell meets the performance criteria as decided by the Board.

The Agreement can be terminated by providing up to 3 months written notice.

The Company has not entered into any other service agreements with Directors or the Company Secretary.

D. Share-based Compensation

Shares and performance rights issued as compensation

During the year, the Company issued no fully paid shares to the nominees of Mr Carson and Ms Guo as compensation (2020: 6,000,000 shares).

Following the receipt of shareholder approval on 11 December 2020, on 14 December 2020, the Company issued 24,000,000 performance rights for nil consideration to the nominees of Mr Carson and Ms Guo on the following terms:

Details of performance rights issued to key management personnel of the Company are set out below.

Key management personnel	Issue date	Number granted	Fair value per right $	Vesting date	Number of rights vested during year	Unvested %
2021						
Directors						
Malcolm Carson	14 Dec 2020			36 months		
- Class A	-	4,000,000	$0.0577	-	-	100%
- Class B	-	4,000,000	$0.0539	-	-	100%
- Class C	-	4,000,000	$0.0502	-	-	100%
Hui Guo	14 Dec 2020			36 months		
- Class A	-	4,000,000	$0.0577	-	-	100%
- Class B	-	4,000,000	$0.0539	-	-	100%
- Class C	-	4,000,000	$0.0502	-	-	100%

DIRECTORS' REPORT

Shares issued as compensation (continued)

On 11 December 2020 the Company obtained shareholder approval to issue 24,000,000 Performance Rights (8,000,000 per class and 4,000,000 per Director) to two Directors in order to provide a performance linked incentive component in their remuneration package. The Performance Rights will vest and convert into shares upon satisfaction of the following milestones:

	Class A Performance Rights	Class B Performance Rights	Class C Performance Rights
VWAP Milestone ($) *	0.06	0.08	0.10
Methodology Simulation iterations	Monte Carlo 50,000	Monte Carlo 50,000	Monte Carlo 50,000
Grant date	14 Dec 20	14 Dec 20	14 Dec 20
Assumed expiry date	14 Dec 23	14 Dec 23	14 Dec 23
Share price at grant date ($)	0.06	0.06	0.06
Exercise price ($)	Nil	Nil	Nil
Risk-free rate (%)	0.1001	0.1001	0.1001
Volatility (%)	84.96	84.96	84.96
Fair value per security ($)	**0.0577**	**0.0539**	**0.0502**
Fair value ($)	**461,958**	**431,136**	**401,604**

* The volume weighted average price for the Company's Shares as traded on ASX over 20 consecutive trading days must exceed the hurdle.

The fair value of the performance rights is being expensed over the assumed vesting period.

Options over equity instruments granted as compensation

Following the receipt of shareholder approval on 11 December 2020, on 14 December 2020 the Company issued 10,000,000 options each to the nominees of Mr Carson and Ms Guo exercisable at $0.05 and expiring 14 December 2023. The fair value was $696,520.

There were no other options over ordinary shares in the Company that were granted as compensation to Directors and key management personnel during the reporting period (2020: nil options).

Equity instrument disclosures relating to Directors and key management personnel

(i) *Option holdings*

The number of options over ordinary shares in the Company held during the financial year by each key management personnel of the Company, including their personally related parties, are set out below:

Key management personnel	Balance at 1 July 2020 No.	Granted as compensation No.	Exercised No.	Net other change No.	Balance at 30 June 2021 No.	Vested and exercisable No.	Unvested No.
2021							
Directors							
Malcolm Carson	3,000,000	10,000,000	-	-	13,000,000	13,000,000	-
Hui Guo	3,000,000	10,000,000	-	80,000,000 (i)	93,000,000	93,000,000	-
Graeme Purcell	-	-	-	-	-	-	-
Peiqi Zhang	-	-	-	-	-	-	-
Other key management							
Michael Higginson	827,437	-	-	200,000	1,027,437	1,027,437	-
	6,827,437	**20,000,000**	**-**	**80,200,000**	**107,027,437**	**107,027,437**	**-**

(i) During the period the Company entered into a loan facility with Auracle Group Pty Limited and issued 80,000,000 as part of the consideration for the agreement..

Details of options held as at reporting date by key management personnel of the Company are set out below.

Key management personnel	Issue date	Number granted	Fair value per option $	Vesting date	Number of options vested during year	Vested %
2021						
Directors						
Malcolm Carson	6 Dec 2016	3,000,000(i)	$0.021	6 Dec 2016	-	100%
	14 Dec 2020	10,000,000(ii)	$0.0348	14 Dec 2020	10,000,000	100%
Hui Guo	6 Dec 2016	3,000,000(i)	$0.021	6 Dec 2016	-	100%
	14 Dec 2020	10,000,000(ii)	$0.0348	14 Dec 2020	10,000,000	100%
	14 Dec 2020	80,000,000(iii)	$0.0414	14 Dec 2020	80,000,000	100%
Graeme Purcell	-	-	-	-	-	-
Peiqi Zhang	-	-	-	-	-	-
Other key management personnel						
Michael Higginson (vi)	10 Mar 2020	827,437(iv)	-	10 Mar 2020	827,437	100%
	26 Mar 2021	200,000(v)	0.005	26 Mar 2021	200,000	100%
		6,827,437			**101,027,437**	

(i) expiring 31 July 2021
(ii) expiring 14 December 2023
(iii) expiring 14 December 2025
(iv) expiring 31 March 2022
(v) expiring 31 December 2023
(vi) Mr Higginson acquired the 827,437 options and 200,000 options and the options were not issued as compensation.

Equity instrument disclosures relating to Directors and key management personnel (continued)

(ii) Share holdings

The number of shares in the Company held during the financial year by each key management personnel of the Company, including their personally related parties, are set out below.

Key management personnel	Balance at 1 July 2020 No.	Received on exercise of options No.	Net other change No.	Balance at 30 June 2021 No.
2021				
Directors				
Malcolm Carson**	6,747,687	-	1,037,674	7,785,361
Hui Guo	6,000,000	-	11,000,000	17,000,000
Graeme Purcel	-	-	-	-
Peiqi Zhang	12,630,849 *	-	(12,630,849)	-
Other key management personnel				
Michael Higginson	280,000	-	(280,000)	-

* These 12,630,849 shares are registered in the name of Columbus Minerals Pty Ltd. Mr Zhang has a relevant interest in the 12,630,849 shares. Held at the date of resignation.

** Mr Carson is a director of Columbus Minerals Pty Ltd, but does not have a relevant interest in the 12,630,849 shares registered in the name of Columbus Minerals Pty Ltd.

Equity instrument disclosures relating to Directors and key management personnel (continued)

(iii) Performance Rights

The number of Performance Rights in the Company held during the financial year by each key management personnel of the Company, including their personally related parties, are set out below.

Key management personnel	Balance at 1 July 2020 No.	Received as compensations No.	Net other change No.	Balance at 30 June 2021 No.
2021				
Directors				
Malcolm Carson (i) (ii)	4,000,000	12,000,000	-	16,000,000
Hui Guo (i) (ii)	4,000,000	12,000,000	-	16,000,000
Graeme Purcel	-	-	-	-
Peiqi Zhang	-	-	-	-
Other key management personnel				
Michael Higginson	-	-	-	-

(i) Performance Rights issued after shareholder approval on 19 December 2019.
(ii) Performance Rights issued after shareholder approval on 11 December 2020.

End of Remuneration Report

DIRECTORS' REPORT

Directors Meetings

The following table sets out the number of meetings attended by each of the Directors during the year.

Director	Board Meetings and Circular Resolutions	
	A	B
Malcolm Carson	17	17
Hui Guo	17	17
Graeme Purcell	6	6
Peiqi Zhang	7	11

Notes

A – Number of meetings attended, or circular resolutions signed.

B – Number of meetings held during the time the Director held office during the year.

The current Board has assumed the duties and responsibilities typically delegated to an audit committee, risk committee, remuneration committee and nomination committee.

Shares under Option

As at the date of this report there are 187,196,791 unissued ordinary shares in respect of which options are outstanding. All options previously issued and not exercised were cancelled in accordance with their terms. The total number of listed options is 46,563,638.

	Number of options
Balance at the beginning of the year	**35,790,482**
Movements of options during the year	
Options issued on 3 August 2020 - $0.05 expiring 31 March 2022	5,000,000
Options issued on 3 August 2020 - $0.15 expiring 1 August 2022	10,000,000
Exercise of options - $0.06 expiring 30 November 2020	(535,715)
Expiry of options - $0.06 expiring 30 November 2020	(4,821,434)
Options issued on 14 December 2020 - $0.05 expiring 14 December 2022	1,200,000
Options issued on 14 December 2020 - $0.05 expiring 14 December 2025	80,000,000
Options issued on 14 December 2020 - $0.05 expiring 4 December 2023	20,000,000
Options issued on 14 December 2020 - $0.10 expiring 31 January 2023	14,835,034
Options issued on 10 February 2021 - $0.10 expiring 31 January 2023	21,528,604
Options issued on 18 March 2021 - $0.10 expiring 31 January 2023	10,000,000
Options issued on 26 March 2021 - $0.10 expiring 31 January 2023	200,000
Total number of options outstanding at 30 June 2021	**193,196,971**
Expiry of options - $0.10 expired 31 July 2021	(6,000,000)
Total number of options outstanding at the date of this report	**187,196,971**
Total number of vested options outstanding at the date of this report	187,196,971

DIRECTORS' REPORT

Performance Rights

As at the date of this report there are 32,000,000 performance rights in respect of which rights are outstanding.

	Number of rights
Balance at the beginning of the year	**8,000,000**
Movements of performance rights during the year	
Class A Performance Right	8,000,000
Class B Performance Right	8,000,000
Class C Performance Right	8,000,000
Total number of rights outstanding at 30 June 2021	**32,000,000**
Total number of rights outstanding at the date of this report	32,000,000

Insurance of Directors and Officers

During or since the financial year, the Company paid premiums insuring all the Directors and Officers of Zuleika Gold Limited against costs incurred in defending proceedings for conduct involving:

a) a wilful breach of duty; or

b) a contravention of sections 182 or 183 of the *Corporations Act 2001,*

as permitted by section 199B of the *Corporations Act 2001.*

The total amount of insurance premiums incurred for the year was $18,750 (2020: $16,864).

Dividends

No dividends were paid or declared during the financial year and no recommendation for payment of dividends has been made.

Proceedings on behalf of the Company

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

No proceedings have been brought or intervened in on behalf of the Company with the leave of the Court under section 237 of the Corporations Act 2001.

Non-Audit Services

No non-audit services were provided to the Company by Stantons International or its related entity during the year ended 30 June 2021 (2020: nil).

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included on page 21.

DIRECTORS' REPORT

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

Malcolm Carson
Executive Chairman

Dated this 30th day of September 2021

Stantons

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30 September 2021

The Directors
Zuleika Gold Limited
36 Prestwick Drive
Twin Waters, QLD 4564.

Dear Sirs

RE: ZULEIKA GOLD 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 Zuleika Gold Limited.

As Audit Director for the audit of the financial statements of Zuleika Gold 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 LIMITED

Samir Tirodkar
Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 30 June 2021

	Note	2021 $	RESTATED 2020 $
Continuing Operations			
Revenue	4	11,634	14,950
Other income	4	174,988	-
Administration expenses		(2,021,973)	(1,241,133)
Exploration expenditure	6	-	(256,535)
Share-based payments	26	(4,341,470)	(176,173)
Loss from continuing operations before income tax benefit	4	**(6,176,821)**	(1,658,891)
Income tax expense	5	**-**	-
Loss from continuing operations		**(6,176,821)**	(1,658,891)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		**-**	-
Items that may be reclassified subsequently to profit or loss		**-**	-
Total comprehensive loss for the year		**(6,176,821)**	(1,658,891)
Loss attributable to owners of the Company		**(6,176,821)**	(1,658,891)
Total comprehensive loss attributable to owners of the Company		**(6,176,821)**	(1,658,891)
Profit/(loss) per share:			
From continuing			
Basic (cents per share)	25	**(1.81)**	(0.81)
Diluted (cents per share)	25	**(1.81)**	(0.81)

The accompanying notes form part of the financial statements.

STATEMENT OF FINANCIAL POSITION

as at 30 June 2021

	Note	30 Jun 2021 $	RESTATED 30 Jun 2020 $	RESTATED 1 Jul 2019 $
Current assets				
Cash and cash equivalents	7	4,892,691	2,178,953	1,530,152
Other receivables	8	143,577	74,916	23,690
Other assets	11	8,115	1,916	1,785
Total current assets		**5,044,383**	**2,255,785**	**1,555,627**
Non-current assets				
Property, plant and equipment	9	4,364	44,378	3,130
Intangible assets	12	9,303	-	-
Exploration and evaluation expenditure	10	4,352,843	1,681,422	1,099,420
Total non-current assets		**4,366,510**	**1,725,800**	**1,102,550**
TOTAL ASSETS		**9,410,893**	**3,981,585**	**2,658,177**
Current liabilities				
Trade and other payables	13	810,381	462,108	146,756
Provisions	14	700,000	78,600	-
Lease liability	15	-	42,144	-
Total current liabilities		**1,510,381**	**582,852**	**146,756**
TOTAL LIABILITIES		**1,510,381**	**582,852**	**146,756**
NET ASSETS		**7,900,512**	**3,398,733**	**2,511,421**
Equity				
Issued capital	16	34,746,551	28,380,420	25,994,122
Reserves	17	4,708,574	396,105	236,200
Accumulated losses		(31,554,613)	(25,377,792)	(23,718,901)
TOTAL EQUITY		**7,900,512**	**3,398,733**	**2,511,421**

The accompanying notes form part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2021

	Attributable to equity holders				
For the year ended 30 June 2021	**Ordinary Shares $**	**Accumulated Losses $**	**Option Reserve $**	**Other Reserve $**	**Total Equity $**
Balance at beginning of year	**28,380,420**	**(25,377,792)**	**391,132**	**4,973**	**3,398,733**
Transactions with shareholders in their capacity as shareholders					
Issue of shares (net of costs)	6,298,988	-	-	-	6,298,988
Shares issued on conversion of options	32,143	-	-	-	32,143
Shares issued to acquire tenements	35,000	-	-	-	35,000
Options issued for cash	-	-	1,000	-	1,000
Options issued and yet to be issued	-	-	4,066,313		4,066,313
Performance Rights issued	-	-	-	245,156	245,156
Total comprehensive income					
Loss for the year	-	(6,176,821)	-	**-**	**(6,176,821)**
Total comprehensive loss for the year	-	(6,176,821)	-	**-**	**(6,176,821)**
Balance as at 30 June 2021	**34,746,551**	**(31,554,613)**	**4,458,445**	**250,129**	**7,900,512**

RESTATED

	Attributable to equity holders				
For the year ended 30 June 2020	**Ordinary Shares $**	**Accumulated Losses $**	**Option Reserve $**	**Other Reserve $**	**Total Equity $**
Balance as at 1 July 2019	**25,994,122**	**(23,981,821)**	**236,200**	**-**	**2,248,501**
RESTATEMENT– change in accounting policy	-	262,920	-	-	262,920
Restated balance as at 1 July 2019	**25,994,122**	**(23,718,901)**	**236,200**	**-**	**2,511,421**
Transactions with shareholders in their capacity as shareholders					
Issue of shares (net of costs)	2,034,298	-	-	-	2,034,298
Shares to be issued to investors	352,000	-	-	-	352,000
Issue of Performance Rights	-	-	-	4,973	4,973
Options issued and to be issued	-	-	154,932	-	154,932
Total comprehensive income					
Loss for the year (restated) (note 6)	-	(1,658,891)	-	**-**	**(1,658,981)**
Total comprehensive loss for the year	-	(1,658,891)	-	**-**	**(1,658,981)**
Balance as at 30 June 2020	**28,380,420**	**(25,377,792)**	**391,132**	**4,973**	**3,398,733**

The accompanying notes form part of the financial statements.

STATEMENT OF CASH FLOWS

for the financial year ended 30 June 2021

	Note	2021 $	RESTATED 2020 $
Cash flows from operating activities			
Receipts from customers		-	-
Payments for exploration and evaluation		-	(209,550)
Payments to suppliers and employees		(1,268,201)	(832,557)
Research and development incentive received		174,988	-
Interest expense		(1,190)	(4,165)
Interest received		10,498	21,040
Net cash (used in) operating activities	24	**(1,083,905)**	(1,025,232)
Cash flows from investing activities			
Payments for property, plant and equipment		(2,844)	(4,206)
Payments for exploration and evaluation		(2,172,347)	(546,132)
Payments for intangible assets		(10,611)	-
Net cash (used in) investing activities		**(2,185,802)**	(550,338)
Cash flows from financing activities			
Proceeds from issues of ordinary shares		6,342,142	1,929,393
Proceeds from shares to be issued		-	352,000
Proceeds from options issued		1,000	-
Payment of share issue costs		(317,553)	(9,197)
Repayment of lease liability	15	(42,144)	(47,825)
Net cash provided by financing activities		**5,983,445**	2,224,371
Net increase in cash and cash equivalents		2,713,738	648,801
Cash and cash equivalents at the beginning of the financial year		2,178,953	1,530,152
Cash and cash equivalents at the end of the financial year	7	**4,892,691**	2,178,953

The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These financial statements are for Zuleika Gold Limited (Company) formerly Dampier Gold Limited. The financial statements are presented in Australian dollars. Zuleika Gold Limited is a company limited by shares, domiciled and incorporated in Australia.

The financial statements were authorised for issue by the Directors on 29 September 2021.

(a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The Company has consistently applied the following accounting policies to all periods presented in the financial statements. The Company has considered the implications of new and amended Accounting Standards applicable for annual reporting periods beginning after 1 July 2020 but determined that their application to the financial statements is either not relevant or not material.

(b) Going concern

The financial report has been prepared on a going concern basis.

The Directors believe there are sufficient grounds to believe that the business will be able to continue to pay its debts as and when they fall due. This is based on future cash forecasts, existing cash reserves and the ability to significantly reduce activity to preserve cash if necessary. Furthermore, the Directors are also of the opinion that a capital raising could be achieved to raise additional funds if required.

(c) Voluntary change in accounting policy

The Company's exploration and evaluation expenditure accounting policy for the year ended 30 June 2020 was to capitalise acquisition costs to the exploration and evaluation asset and expense all remaining exploration and evaluation expenditure in the statement of profit or loss. The board has changed the accounting policy for exploration and evaluation expenditure to capitalise all costs to an asset within the statement of financial position for each area of interest as at 1 July 2020 subject to the requirements outlined in the new accounting policy (see note 1 (o)).

The Board believes that this change in accounting policy more accurately reflect the change in its business strategy and the nature of the exploration activities undertaken. The change in accounting policy has been made because:

(a) The Company strategy has been to secure highly prospective assets through acquisition or execution of farm-in agreements which it has now achieved;
(b) The exploration and evaluation costs are now considered to be incurred to define targets and progress the areas of interest towards resource definition and development and in the boards view, it is more appropriate for these costs to be classified as exploration and evaluation assets as prescribed under AASB 6 Exploration for and Evaluation of Mineral Resources;
(c) Under the new accounting policy, the users of the financial statements (including the Company's partners and stakeholders) are able to clearly identify the costs incurred to progress the assets as the accounting standard, AASB 6 Exploration for and Evaluation of Mineral Resources, requires the Company to meet defined criteria before costs can be recognised as an asset;
(d) The board believes that the economic substance of the work performed to progress the areas of interest represents the major asset of the Company and it is more appropriate to classify the costs as an asset rather than general exploration and evaluation costs within the income statement.

The change has been made retrospectively in accordance with the requirements of AASB 108 from the earliest reporting period and the effect of the change and the impact on the financial statements is outlined in note 6.

(d) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, Zuleika Gold Limited (ZAG or the Company) and the Company's subsidiaries, if any. At balance date the Company did not have any 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.

The assets, liabilities and results of 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.

1. Summary of significant accounting policies (continued)

(d) Principles of consolidation (continued)

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.

(e) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, is the full Board of Directors.

(f) Income tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates (if any) operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(g) Business combinations

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the statement of profit or loss and other comprehensive income, but only after a reassessment of the identification and measurement of the net assets acquired. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

1. Summary of significant accounting policies (continued)

(h) Impairment of assets

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

(i) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(j) Trade and other receivables

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15. Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms.

(k) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

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

Class of fixed asset	Depreciation rate (%)
Plant and equipment	25.00 – 33.33

(l) Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company 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.

Classification and subsequent measurement

Financial assets

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

1. Summary of significant accounting policies (continued)

(l) Financial instruments (continued)

Recognition, initial measurement and derecognition
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
- 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 Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income

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

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

Impairment

The Company 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 Company applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

1. Summary of significant accounting policies (continued)

(m) Earnings per share

i. Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

ii. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(n) Goods and Services Tax (GST)

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

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

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

(o) Exploration and evaluation expenditure

During the year the Company has changed its accounting policy to capitalise its exploration and evaluation expenditure to an asset. The new accounting policy is as follows:

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

(b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or in relation to, the area of interest are continuing

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities directly related to each area of interest. Consultants fees related to the overall exploration programmes are allocated across the tenements on a pro-rata basis. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The assessment of impairment indicators as per AASB 6 is undertaken at least annually. Where there are impairment indicators, the recoverable amount of the exploration and evaluation asset is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to
(i) abandon the entire area of interest; or
(ii) allow the entire area of interest expires without renewal; or
(iii) it is reasonably likely that the area of interest will expiry in the near future; or
(iv) a decision is made to no longer undertaken exploration work.

Then the exploration and evaluation assets will be written off.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021

1. Summary of significant accounting policies (continued)

(p) Trade and other payables

Trade payables and other payables represent the liabilities for goods and services received by the Company 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 cost using the effective interest method.

(q) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(r) Intangible assets

Costs associated with developing the Company's website are recognised as an asset as incurred. External development costs that are directly attributable to the manufacture of the website are recognised as intangible assets.

The Company amortises intangible assets with limited useful lives using the straight-line method over 3 years.

(s) Leases

For any new contracts entered into each year , the Company must consider whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition, the Company must assess whether the contract meets three key evaluation which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- The Company has the right to obtain substantially all of the economic benefits from the use of the identified asset through the period of use, considering its rights within the defined scope of the contract;
- The Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct "how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of lease as a lease

At the commencement of the lease, the Company recognises a right to use asset and a lease liability on the balance sheet. The right to use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial costs incurred by the Company, an estimate of any cost to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement dates.

The Company depreciates the right-of-use-assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use-asset or the end of the lease term. The Company also assesses the right-of-use assets for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of the fixed payments, variable payments based on an index and amounts expected to be payable under a residual value guarantee. Payments which are subject to an option will only be included if there is strong objective evidence to suggest that option will be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset has been reduced to zero.

The Company has elected to account for short term leases and leases of low value asset using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in the profit and loss on a straight line basis over the lease term.

On the statement of financial position, a right -of-use asset is included in property, plant and equipment and the lease liability is classified separately

1. Summary of significant accounting policies (continued)

(t) *New and revised accounting standards adopted by the Company*

The Company has adopted all new standards or interpretations. No standard has had an impact on the financial statements.

(u) Other standards not yet applicable

The Company has not early adopted any new pronouncements for this reporting period.

(v) *Critical accounting judgements, estimates and assumptions*

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

Capitalised exploration and evaluation expenditure

The Company has capitalised significant exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful development (or alternatively sale) of the areas of interest concerned or on the basis that it is not yet possible to assess whether it will be recouped.

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation expenditure through sale. Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Share-based payments

The Company measures the cost of equity settled transactions with employees and suppliers by reference to the fair value of the equity instruments at the date at which they are granted if the fair value is not present in the agreement. The fair value is determined using a recognised pricing model.

Environmental rehabilitation provisions

The Company assesses its rehabilitation provision at each reporting date. Significant estimates and assumptions are made in determining the provision for rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases/decreases, and changes in discount rates. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at balance date represents management's best estimate of the future rehabilitation costs required. Changes to estimated future costs are recognised in the Statement of Financial Position by adjusting the rehabilitation asset and liability.

Deferred taxation

Deferred tax assets are only recognised for deductible temporary differences when management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

Provision for legal fees

The Company has recognised an estimate of the legal costs it may occur for the Vango proceedings. The estimate is based on the most available information as at the reporting date and facts and circumstances may come to light in future periods that materially change this estimate.

2. Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Risk management is carried out by the full Board of Directors as the Company believes that it is crucial for all Board members to be involved in this process. The Chairman, with the assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management.

(a) Market risk

i. Foreign exchange risk

As all operations are currently within Australia the Company is not exposed to foreign exchange risk.

ii. Price risk

The Company is exposed to gold commodity price risk. The gold price can be volatile and influenced by factors beyond the Company's control. As the Company is engaged in exploration and development activities, no sales of commodities are forecast for the next 12 months, and accordingly, no hedging or derivative transactions have been used to manage commodity price risk.

iii. Interest rate risk

The Company is exposed to movements in market interest rates on cash and cash equivalents. Company policy is to monitor the interest rate yield curve out to six months to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. Of the year-end balance of cash and cash equivalents and non-current term deposits for the Company, $4,892,691 is subject to interest rate risk. The proportional mix of floating interest rates and fixed rates to a maximum of six months fluctuate during the year depending on current working capital requirements. The weighted average interest rate received on cash and cash equivalents by the Company was approximately 0.23%.

<u>Sensitivity analysis</u>

As at 30 June 2021, if interest rates had changed by -/+25 basis points with all other variables held constant, the loss for the Company would have been approximately $11,253 higher/lower as a result of higher/lower interest income from cash and cash equivalents and non-current deposits.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's main exposure to credit risk is through the investment of our surplus funds. To minimise this risk the Company only invests with counterparties that have an acceptable credit rating.

As the Company does not presently have any significant debtors, lending or significant stock levels, a formal credit risk management policy is not maintained.

(c) Liquidity risk

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Company. Due to the nature of the Company's activities, being mineral exploration and development, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Company's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The financial liabilities of the Company are confined to trade and other payables and lease liabilities as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the Company at balance date are recorded at amounts approximating their carrying amount.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021

3. Segment Information

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

	2021	RESTATED 2020
	$	$
Revenue		
From continuing operations		
Exploration and evaluation	11,634	14,950
Profit / (loss)		
From continuing operations		
Exploration and evaluation	(6,176,821)	(1,658,891)
Total Assets		
From continuing operations		
Exploration and evaluation	9,410,893	3,981,585
Total Liabilities		
From continuing operations		
Exploration and evaluation	(1,510,381)	(582,852)

4. Loss from continuing operations

	2021	2020
	$	$
Loss from continuing operations before income tax has been determined after:		
(a) Revenue		
Interest revenue	11,634	14,950
(b) Expenses		
Depreciation	44,166	52,267
(c) Other income – Research and development incentives	174,988	-

5. Income Taxes

	2021	RESTATED 2020
	$	$
Income tax recognised in profit or loss		
(a) Income tax expense comprises:		
Current tax expense	-	-
Deferred tax expense relating to the origination and reversal of temporary differences	-	-
Total tax benefit	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	(6,176,821)	(1,658,891)
Prima facie tax benefit at the Australian tax rate of 26% (2020: 27.5%)	(1,605,974)	(456,195)
Adjustment of prior year income tax losses	(10,470)	(59,963)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Provision for doubtful debts	-	1,705
Share-based payments	1,120,982	48,448
Entertainment	2,547	433
Non-assessable income	(45,497)	-
	(538,412)	(465,072)
Movements in unrecognised temporary differences	(481,060)	77,002
Tax effect of current year tax losses for which no deferred tax asset has been recognised	1,019,472	542,074
Income tax benefit	-	-

5. Income Taxes (continued)

(c) Unrecognised deferred tax balances

	2021 $	2020 $
Deferred Tax Assets (at 25.0%, 2020:26%)		
On Income Tax Account		
Legal expenses	216,528	159,739
Plant and equipment	-	325
Provision for expenses	207,251	36,974
Provision for impairment of loans	37,991	39,510
Provision for doubtful debts	147,939	153,857
Capital raising costs	61,854	14,543
Carry forward revenue and capital tax losses	7,756,652	7,068,386
	8,428,215	7,473,334
Deferred Tax Liabilities (at 25.0%, 2020: 26%)		
Prepayments	2,029	498
Unearned income	665	397
Tenement acquisition costs	1,088,211	437,170
	1,090,905	438,065

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that taxable profits will be available against which deductible temporary differences and tax losses can be utilised.

The Company's ability to use losses in the future is subject to the Company satisfying the relevant tax authority's criteria for using these losses.

6. Change in accounting policy

The Board has changed the Company's accounting policy to capitalise its exploration and evaluation costs to an asset within the statement of financial position. This has resulted in prior period adjustments to the statement of profit and loss and statement of financial position as follows:

Adjustments made to statement of financial position	**Previously Reported 1 July 2019**	**Effect of accounting policy change**	**RESTATED 1 July 2019**
Capitalised mineral exploration and evaluation expenditure	836,500	262,920	1,099,420
Net assets	2,248,501	262,920	2,511,421
Equity			
Issued capital	25,994,122	-	25,994,122
Reserves	236,200	-	236,200
Retained earnings/(accumulated losses)	(23,981,821)	262,920	(23,718,901)
	2,248,501	262,920	2,511,421

Adjustments made to statement of financial position	**Previously Reported 30 June 2020**	**Effect of accounting policy change**	**RESTATED 30 June 2020**
Capitalised mineral exploration and evaluation expenditure	872,370	809,052	1,681,422
Net assets	2,589,681	809,052	3,398,733
Equity			
Issued capital	28,380,420		28,380,420
Reserves	396,105		396,105
Retained earnings/(accumulated losses)	(26,186,844)	809,052	(25,377,792)
	2,589,681	809,052	3,398,733

6. Change in accounting policy (continued)

Adjustments made to profit and loss and other comprehensive income for 30 June 2020	Previously Reported 30 Jun 2020	Effect of accounting policy change	RESTATED 30 Jun 2020
Exploration and evaluation expenses	(802,667)	546,132	(256,535)
(Loss) from continuing operations before income tax benefit	(2,205,023)	546,132	(1,658,891)
Income tax (expense) / benefit	-	-	-
(Loss) from continuing operations after income tax benefit	(2,205,023)	546,132	(1,658,891)

7. Current assets: Cash and cash equivalents

	2021 $	2020 $
Cash at bank and on hand (i)	1,060,507	1,112,089
Bank short term deposits (ii)	3,832,184	1,066,864
	4,892,691	2,178,953

(i) Cash at bank and on hand earns interest at floating rates based on daily bank deposit rates.

(ii) Available at call.

8. Current assets: Other receivables

	2021 $	2020 $
Exploration expenditure re-charged to Vango Mining Ltd	144,654	144,654
Provision for non-recovery	(144,654)	(144,654)
Interest receivable	2,661	1,526
Sundry receivables	140,916	79,590
Provision for non-recovery	-	(6,200)
	143,577	74,916

No receivables are considered past due other than those provided for.

9. Non-current assets: Property, plant & equipment

	2021 $	2020 $
Right of use assets – at cost	89,969	89,969
Less: Accumulated depreciation	(89,969)	(49,074)
	-	40,895
Plant & equipment – at cost	33,967	31,123
Less: Accumulated depreciation	(29,603)	(27,640)
	4,364	3,483

Reconciliation/movement for the year

Carrying amount at beginning of year	44,378	3,130
Additions	2,844	4,206
Disposals	-	(660)
Recognition of right to use asset	-	89,969
Depreciation charge	(42,858)	(52,267)
Carrying amount at end of year	**4,364**	44,378

10. Non-current assets: Capitalised mineral exploration and evaluation expenditure

	2021 $	RESTATED $
Tenement acquisition costs carried forward in respect of mining areas of interest		
Opening balance at 1 July 2020	1,681,422	-
Tenement acquisition costs [1]	-	446,500
Tenement acquisition costs [2]	-	390,000
Tenement acquisition costs [3]	-	35,870
Tenement acquisition costs [4]	66,818	-
Change in accounting policy [5]	-	809,052
Add: Amount capitalised during the period [6]	2,604,603	-
Closing net book amount	**4,352,843**	1,681,422

[1] In June 2018, the Company acquired the Ruby Plain area of interest for consideration of $446,500.
[2] In January 2019, the Company acquired the Menzies and Goongarrie tenements for a consideration of 10,000,000 ordinary shares and a cash payment of $20,000.
[3] In April 2020, the Company issued 10,000,000 options to commence the farm-in for Zuleika area of interest.
[4] During the current period the Company paid $31,818 in cash and agreed to issue 572,362 fully paid ordinary shares for the acquisition for the Ora Banda area of interest.
[5] During the current period the Company changes its accounting policy to capitalise exploration and evaluation expenditure to the statement of financial position rather than expense them as incurred. The Company has retrospectively adjusted retained losses and the exploration asset to reflect the change in the policy.
[6] Exploration and evaluation costs capitalised during the year.

11. Other assets

	2021 $	2020 $
Prepayments	8,115	1,916
Loan to franchisees	92,052	92,052
Provision for impairment	(92,052)	(92,052)
Loan to Aurigin Foods Pty Ltd	499,704	499,704
Provision for impairment	(499,704)	(499,704)
	8,115	1,916

12. Intangible assets

	2021 $	2020 $
Website – at cost	10,611	-
Less: Accumulated depreciation	(1,308)	-
	9,303	-

Reconciliation/movement for the year

	2021 $	2020 $
Carrying amount at beginning of year	-	-
Additions	10,611	-
Disposals	-	-
Recognition of right to use asset	-	-
Depreciation charge	(1,308)	-
Carrying amount at end of year	**9,303**	-

13. Current liabilities: Trade and other payables

	2021 $	2020 $
Trade payables (i)	679,651	319,903
Other payables and accruals	130,730	142,205
	810,381	462,108

(i) Trade payables of $65,469 were past due over 30 days as at 30 June 2021 (2020: $NIL)

14. Provisions

	2021 $	2020 $
Provisions		
Current Provisions	700,000	78,600
Total	**700,000**	78,600

The Company has provided for estimated costs relating to the current stage of its ongoing legal action with Vango. These costs are expected to be incurred in the 2022 financial year.

	2021	2020
Reconciliation/movement for the year		
Carrying amount at beginning of year	78,600	-
Additions	700,000	78,600
Less: Amounts used during the year	(78,600)	-
Less; Amounts reversed	-	-
Carrying amount at end of year	**700,000**	78,600

15. Lease liability

	2021 $	2020 $
Current		
Lease liability	-	42,144
Non-current		
Lease liability	-	-
	-	**42,144**
Reconciliation/movement for the year		
Opening balance	42,144	-
Amounts recognised on transition	-	89,969
Less: amount repaid	(42,144)	(47,825)
Other movements	-	-
Closing balance at end of year	**-**	**42,144**
Interest cost incurred for the year	**1,190**	**4,175**

In the prior period the Company assessed the implementation of the AASB 16 Leases standard and determined that it was applicable for that period. The key inputs to the calculation are as follows:

Time Period: 22 months from 1 July 2019
Rate: Implicit interest rate of 4.30%
Fair Value at the transition date: $89,969

16. Issued capital

(a) Equity (number of shares on issue and the amount paid (or value attributed) for the shares)

410,093,373 fully paid ordinary shares (30 June 2020: 267,985,995)

(b) The following changes to the shares on issue and the attributed value during the periods:

	2021 Number	2020 Number	**2021 $**	2020 $
Balance at the beginning of the year	267,985,995	176,640,141	28,380,420	25,994,122
Issue of shares to extinguish debt [1]	-	2,260,143	-	63,284
Issue of shares in a placement [2]	-	11,585,711	-	324,400
Shares issued to directors [3]	-	6,000,000	-	90,000
Issue of shares to consultants [4]	-	1,500,000	-	30,000
Issue of shares in a placement [5]	-	37,800,000	-	944,993
Issue of shares to extinguish debt [5]	-	2,200,000	-	59,400
Issue of shares in a placement [6]	-	30,000,000		660,000
Issue of shares in a placement [8]	16,454,545	-	10,000	352,000
Issue of shares to consultants [9]	520,000	-	15,600	-
Issue of shares upon exercise of options [10]	535,715	-	32,143	-
Issue of shares in a placement [11]	44,505,101	-	2,447,780	-
Issue of shares under the Auracle Agreement [12]	11,000,000	-	330,000	-
Issue of shares to extinguish debt [13]	1,040,909	-	57,250	-
Issue of shares in a placement [14]	64,585,809		3,552,220	
Issue of shares to extinguish debt [15]	2,892,937		142,973	
Issue of shares to acquire two tenements [16]	572,362		35,000	
Share issue costs [7]	-	-	(256,835)	(137,779)
Sub-total	**410,093,373**	267,985,995	**34,746,551**	28,380,420
Balance as at year end	**410,093,373**	267,985,995	**34,746,551**	28,380,420

1. On 7 August 2019 the Company issued 2,260,143 shares at an issue price of $0.028 per share to repay liabilities.

2. On 7 August 2019 the Company issued 11,585,711 shares at an issue price of $0.028 per share to raise $324,400 in working capital (before costs).

3. On 19 December 2019 the Company received shareholder approval to issue 6,000,000 shares to two Directors for services rendered. The share price at the date of the general meeting was $0.015 per share and the shares were issued on 14 January 2020.

4. On 14 January 2020 the Company issued 1,500,000 shares at an issue price of $0.02 to a consultant for corporate services rendered.

5. On 10 March 2020 the Company issued 37,800,000 shares at an issue price of $0.025 per share to raise $945,000 in working capital (before costs) and issued 2,200,000 shares to extinguish debt. The fair value of the extinguishment of the debt was $59,400.

6. On 24 June 2020 the Company issued 30,000,000 shares at an issue price of $0.022 per share to raise $660,000 in working capital (before costs).

7. The share issue costs incurred during the year.

8. At a general meeting held on 30 July 2020, shareholders approved the issue of 15,454,545 shares at an issue price of $0.022 and on 3 August 2020 the 15,454,545 shares were issued, raising $340,000 (before costs) in working capital for the Company. The Company further issued 1,000,000 shares at an issue price of $0.022 in oversubscriptions to raise an additional $22,000.

9. On 13 August 2020, the Company issued shares as settlement of liabilities at a fair value was $15,600.

10. On 30 November 2020, the Company issued 535,715 shares following the exercise of 535,715 options each exercisable at $0.06 and expiring 30 November 2020.

11. On 14 December 2020, the Company issued 44,505,101 shares an issue price of $0.055 to raise $2,447,780 in working capital (before costs).

12. Following the receipt of shareholder approval on 11 December 2020, the Company issued 10,000,000 shares at an issue price of $0.03 to raise $300,000 pursuant to a Loan Agreement with Auracle Group Pty Ltd (**Auracle**), a company associated with H Guo. In addition, a further 1,000,000 shares at an issue price of $0.03 per share were issued to Auracle in consideration for the payment of a loan facility fee of $30,000.

16. Issued capital (continued)

(b) The following changes to the shares on issue and the attributed value during the periods (continued)

13. On 14 December 2020, the Company issued 1,040,909 shares at an issue price of $0.055 to repay creditors at a fair value of $57,250.
14. On 10 February 2021 the Company issued 64,585,809 shares at an issue price of $0.055 per share to raise $3,552,220 in working capital (before costs).
15. On 10 February 2021 the Company issued 2,892,937 shares to extinguish creditors at a fair value of $142,973.
16. On 10 February 2021 the Company issued 572,362 shares at an issue price of $0.06115 in part consideration for the acquisition of two mining tenements.

(c) Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

17. Reserves

	30 Jun 2021 $	30 June 2020 $
Option reserves (a)	4,458,445	391,132
Other reserves (b)	250,129	4,973
	4,708,574	**396,105**

(a) The following changes to the options on issue and the attributed value during the periods:

	2021 Number	2020 Number	**2021 $**	2020 $
Balance at the beginning of the year	17,100,000	12,000,000	391,132	236,200
Options expired		(6,000,000)	-	-
Issue of Options to consultants [1]	-	2,000,000	-	21,725
Issue of Options to consultants [1]	-	1,000,000	-	13,275
Issue of Options to consultants [2]	-	8,100,000	-	16,200
Issue of Options - Farm-in [3]	10,000,000	-	-	35,870
Options issues to consultants [4]	5,000,000	-	-	67,862
Options issues to consultants [5]	1,200,000	-	10,000	-
Options issues for funding facility [6]	80,000,000	-	3,308,111	-
Options issues as remuneration to directors [7]	20,000,000	-	696,520	-
Options issued to consultants [8]	10,000,000	-	50,000	
Options issued pursuant to a cleansing prospectus [9]	200,000	-	1,000	
Sub-total	143,500,000	17,100,000	4,456,763	391,132
Options yet to be issued [10]			1,682	
Balance as at 30 June 2021	143,500,000	17,100,000	4,458,445	391,132

1. On 14 January 2020 and 20 February 2020 the Company issued 2,000,000 and 1,000,000 options to consultants for corporate services with an exercise price of $0.02 expiry on 31 January 2022. The fair value of the options was based on the fair value of the services which was $35,000.
2. On 7 April 2020 the Company issued 8,100,000 options each with an exercise price of $0.05 and expiring 7 April 2022 to consultants in consideration for the provision of corporate services. The fair value of the options was based on the fair value of the services which was $16,200.

17. Reserves (continued)

3. On 3 August 2020, the Company issued 10,000,000 options each exercisable at $0.15 and expiring 1 August 2022 to Torian Resources Limited in consideration for the Company entering into the Zuleika Project Term Sheet. The fair value of each option is $0.0036 and the total cost recognised in the prior period was $35,870. The Company valued the options using a Black Scholes Option Pricing model with the following inputs:
   (a) Grant Date – 20 April 2020
   (b) Expiry date – 1 August 2022
   (c) Market price of securities - $0.022
   (d) Exercise price of securities - $0.15
   (e) Risk free rate – 0.23%
   (f) Volatility – 107.83%.

4. On 3 August 2020, the Company issued 5,000,000 options each exercisable at $0.05 and expiring 31 March 2022 to Alto Capital for corporate services. The fair value of each option was $0.0136 and the total cost recognised in the prior period was $67,862. The Company valued the options using a Black Scholes Option Pricing model with the following inputs:
   (a) Grant Date – 16 June 2020
   (b) Expiry date – 31 March 2022
   (c) Market price of securities – $0.03
   (d) Exercise price of securities – $0.05
   (e) Risk free rate – 0.26%
   (f) Volatility – 116.68%

5. On 14 December 2020 the Company issued 1,200,000 options each exercisable at $0.05 and expiring 14 December 2022 to a consultant in consideration for the provision of corporate services. The fair value of the options was based on the fair value of the services which was $10,000.

6. Following the receipt of shareholder approval, on 14 December 2020 the Company issued 80,000,000 options each exercisable at $0.05 and expiring 14 December 2025 to Auracle Group Pty Ltd (a company associated with H Guo) in relation to a loan facility to fund the litigation against Vango Mining Limited. The fair value of each option is $0.0414 and the total cost for the period was $3,308,111. The Company valued the options using a Black Scholes Option Pricing model with the following inputs:
   (a) Grant Date – 11 December 2020
   (b) Expiry date – 14 December 2025
   (c) Market price of securities - $0.06
   (d) Exercise price of securities - $0.05
   (e) Risk free rate – 0.10%
   (f) Volatility – 84.96%

7. Following the receipt of shareholder approval, on 14 December 2020 the Company issued a total of 20,000,000 options each exercisable at $0.05 and expiring 14 December 2023 to two Directors to provide a performance linked incentive component in their remuneration. The Company valued the options using a Black Scholes Option Pricing model with the following inputs:
   (a) Grant Date – 11 December 2020
   (b) Expiry date – 14 December 2023
   (c) Market price of securities - $0.06
   (d) Exercise price of securities - $0.05
   (e) Risk free rate – 0.10%
   (f) Volatility – 84.96%

8. On 30 March 2021 the Company issued 10,000,000 options to consultants for corporate services with an exercise price of $0.10 expiry on 31 January 2023. The fair value of the options was based on the fair value of the services which was $50,000.

9. On 29 March 2021 the Company issued options under a cleansing prospectus which included an offer of 200,000 options issued at $0.005 per option. The Company raised $1,000 before costs. The options are exercisable at $0.10 and expire on 31 January 2023.

17. Reserves (continued)

10. On 8 March 2021 the Company engaged Mr Graeme Purcell under a consulting agreement. The agreement included the issue of 1 million options at an exercise price of $0.10 per option with an expiry date 3 years from the date of issue. The Company has provisionally valued the options using a Black Scholes Option Pricing model with the following inputs:
    (a) Grant Date – 8 March 2021 (subject to shareholder approval)
    (b) Expiry date – 3 years after the date of issue
    (c) Market price of securities – $0.043
    (d) Exercise price of securities – $0.10
    (e) Risk free rate – 0.10%
    (f) Volatility – 75.94%

The amount recognised in the year is the proportional amount of the total value for the months since commencement of providing the consulting services over the total months until expiry. Upon shareholder approval and final valuation and vesting, the remaining balance will be recognised.

(b) Performance rights

	2021 Number	2020 Number	**2021 $**	2020 $
Balance at the beginning of the year	8,000,000	-	4,973	-
Rights granted during the prior year [1]	**-**	8,000,000	7,500	4,973
Rights granted during the current year [2]	**24,000,000**	-	237,656	-
Balance as at period end	**32,000,000**	8,000,000	250,129	4,973

1. On 19 December 2019 the Company obtained shareholder approval to issue 8,000,000 Rights to directors based on the following hurdles.

The following table outlines the Performance Rights terms, fair value and the probability of meeting the hurdles:

Class of Rights	Hurdle	Number	Fair value	Probability
Class A	48 Months – Defined JORC Resource of 25,000 Ounces above 1 gmpt	2,000,000	$0.015 per Right	100%
Class B	48 Months – Defined JORC Resource of 55,000 Ounces above 1 gmpt	2,000,000	$0.015 per Right	-%
Class C	48 Months – Defined JORC Resource of 75,000 Ounces above 1 gmpt	2,000,000	$0.015 per Right	-%
Class D	48 Months – Defined JORC Resource of 100,000 Ounces above 1 gmpt	2,000,000	$0.015 per Right	-%

The Company continues to monitor the performance of the hurdles during the period as no adjustment in probability was deemed necessary.

2. On 11 December 2020 the Company obtained shareholder approval to issue 24,000,000 Performance Rights (8,000,000 per class and 12,000,000 per Director) to two Directors in order to provide a performance linked incentive component in their remuneration package. The Performance Rights will vest and convert into shares upon satisfaction of the milestones listed below:

17. Reserves (continued)

	Class A Performance Rights	Class B Performance Rights	Class C Performance Rights
VWAP Milestone ($) *	0.06	0.08	0.10
Methodology Simulation iterations	Monte Carlo 50,000	Monte Carlo 50,000	Monte Carlo 50,000
Grant date	14 Dec 20	14 Dec 20	14 Dec 20
Assumed expiry date	14 Dec 23	14 Dec 23	14 Dec 23
Share price at grant date ($)	0.06	0.06	0.06
Exercise price ($)	Nil	Nil	Nil
Risk-free rate (%)	0.1001	0.1001	0.1001
Volatility (%)	84.96	84.96	84.96
Fair value per security ($)	**0.0577**	**0.0539**	**0.0502**
Fair value ($)	**461,958**	**431,136**	**401,604**

* The volume weighted average price for the Company's Shares as traded on ASX over 20 consecutive trading days must exceed the hurdle.

The fair value of the performance rights is being expensed over the assumed vesting period.

(d) The following are changes to options issue at no cost during the periods:

	2021 Number	2020 Number	**2021 $**	2020 $
Balance at the beginning of the year	18,690,482	-	-	-
Issue of options [1]	-	5,357,149	-	-
Issue of Options [2]	-	13,333,333	-	-
Issue of Options [3]	14,835,034	-	-	-
Issue of Options [3]	21,528,604			
Conversion of options to shares [4]	(535,715)			
Expiry of options [5]	(4,821,434)			
Balance as at 30 June 2021	49,696,971	18,690,482	-	-

1. On 14 January 2020 the Company issued 5,357,149 free attaching options with an exercise price of $0.06 per option to shareholders expiring on 30 November 2020.
2. On 10 March 2020 the Company issued 13,333,333 free attaching options with an exercise price of $0.05 per option to shareholders expiring on 31 March 2022.
3. On 14 December 2020 the Company issued 14,835,034 free attaching options with an exercise price of $0.10 per option to shareholders expiring on 31 January 2023.
4. On 10 February 2021 the Company issued 21,528,604 free attaching options with an exercise price of $0.10 per option to shareholders expiring on 31 January 2023.
5. On 30 November 2020, the Company issued 535,715 shares following the exercise of 535,715 options each exercisable at $0.06 and expiring 30 November 2020.
6. On 30 November 2020, options expired without being exercised.

17. Reserves (continued)

Weighted average options on issue

	2021 Number	2021 Exercise Price $	2020 Number	2020 Exercise Price $
Balance at the beginning of the year	17,100,000	0.062	12,000,000	0.075
Expiry of options			(6,000,000)	0.05
Issue of options	-	-	2,000,000	0.02
Options to consultant	-	-	1,000,000	0.02
Options to consultant	-	-	8,100,000	0.05
Issue of options farm in	10,000,000	0.15		
Options to consultants	5,000,000	0.05		
Options to consultants	1,200,000	0.05		
Options for funding facility	80,000,000	0.05		
Options issued to directors	20,000,000	0.05		
Options issued to consultants	10,000,000	0.10		
Balance as at end of the year	143,300,000	0.062	17,100,000	0.062

18. Risk management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities for operational purposes, with the primary source of funding being equity raisings. Therefore, the focus of Company's capital risk management is the current working capital position against the requirements of the Company to meet exploration programmes and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating cost requirements with a view to initiating appropriate capital raisings as required. The working capital position of the Company as at the reporting date is as follows:

	2021 $	2020 $
Cash and equivalents	4,892,691	2,178,953
Trade and other receivables	143,577	74,916
Trade and other payables	(679,651)	(462,108)
Lease liability	-	(42,144)
Working capital position	**4,356,617**	1,749,617

19. Dividends

No dividends were paid during the financial year. No recommendation for payment of dividends has been made.

20. Key management personnel disclosures

(a) Key management personnel compensation

	2021 $	2020 $
Short-term benefits	588,618	405,350
Post-employment benefits	7,916	6,840
Share-based payments	943,358	94,972
	1,539,892	507,163

Detailed remuneration disclosures are provided in the remuneration report within the directors' report.

(b) Loans to key management personnel

There were no loans to key management personnel during the year.

(c) Transactions with key management personnel

- Mineral Resource Consultants Pty Ltd, a company with which the Company's Chairman Malcolm Carson is associated, was paid $231,000 (2020: $169,420) in director's and consulting fees at normal commercial rates and superannuation at the statutory rate. At 30 June 2021, there was $3,614 outstanding to Mineral Resource Consultants Pty Ltd.
- Mr Zhang was paid $24,774 (2020: $36,000) in director's fees at normal commercial rates. At 30 June 2021, there was $51,774 outstanding to Mr Zhang.
- Ms Guo was paid $231,000 (2020: $169,420) in director's fees and consulting fees at normal commercial rates and superannuation at the statutory rate. At 30 June 2021, there was $8,052 outstanding to Ms Guo.
- Mr Higginson was paid $40,771 (2020: $37,350) in company secretarial fees at normal commercial rates. At 30 June 2021, there was $7,384 (excl. GST) owing to Mr Higginson.
- Mr Purcell was paid $43,799 (2020: nil) in director's fees and consulting fees at normal commercial rates and superannuation at the statutory rate. At 30 June 2021, there was nil outstanding.

21. Commitments and contingencies

(a) Exploration commitments

	2021 $	2020 $
Not longer than 1 year	915,285	530,062
Longer than 1 year and not longer than 5 years	1,594,939	898,824
Greater than 5 years	156,768	-
	2,666,992	1,428,886

(b) Contingencies

At balance date there are no contingent assets or liabilities (other than as disclosed below) noted by the Company.

Following the sale of DPPL to Vango, the Company has a contingent asset of $6m in the form of additional consideration of up to $4m and a royalty of up to $2m.

The $4m consideration comprises the following amounts to be paid by Vango:

- $1,000,000 (excluding GST) on production of a total of 45,000 ounces of gold from the Project tenements;
- $1,000,000 (excluding GST) on production of a total of 100,000 ounces of gold from the Project tenements;
- $1,000,000 (excluding GST) on production of a total of 200,000 ounces of gold from the Project tenements; and
- $1,000,000 (excluding GST) on production of a total of 300,000 ounces of gold from the Project tenements.

The $2m royalty is payable by Vango in gold or cash on overall production from the Project tenements as follows:

- 1.0% on each ounce of gold produced from the Project tenements as of the date of issue of the mint receipt, calculated at the London Spot Fix AM (USD/oz) on that day, where the London Spot Fix AM (USD/oz) is equal to or greater than US$1,175/oz, or
- 2.0% on each ounce of gold produced from the Project tenements as of the date of issue of the mint receipt, calculated at the London Spot Fix AM (USD/oz) on that day, where the London Spot Fix AM (USD/oz) is equal to or greater than US$1,250/oz, or
- 3.0% on each ounce of gold produced from the Project tenements as of the date of issue of the mint receipt, calculated at the London Spot Fix AM (USD/oz) on that day, where the London Spot Fix AM (USD/oz) is equal to or greater than US$1,400/oz, or
- 4.0% on each ounce of gold produced from the Project tenements as of the date of issue of the mint receipt, calculated at the London Spot Fix AM (USD/oz) on that day, where the London Spot Fix AM (USD/oz) is equal to or greater than US$1,500/oz.

21. Commitments and contingencies (continued)

Contingent liabilities

K2 Project: As advised to shareholders through the ASX announcement dated 19 November 2019, Vango Mining Limited ("Vango") and the Company are in dispute over various matters related to this project. On 12 February 2020, the Company announced that it has issued to Vango a letter of demand for the payment by Vango of $21,573,813 being the estimated losses incurred to date by the Company. On 26 May 2020, Dampier commenced legal proceedings in the Supreme Court of Western Australia against Vango Mining Limited (ASX: VAN, Vango), seeking damages, costs and an order requiring the transfer of its beneficial interest earned pursuant to the K2 Project Farm-in Joint Venture Binding Terms Sheet signed on 12th May 2017. The Supreme Court proceedings also includes a claim for unpaid royalty payments and milestone payments arising from the Plutonic Dome Purchase and Sale Agreement. On 23 June the Company announced the lodgement of a statement of claim in the Supreme Court of Western Australia to expediate the proceedings. On 3 August 2020 the Company provided a further update outlining the status of the court proceedings and outlined the significant steps involved for the remaining 2020 year. On 11 November, the directors attended the mediation between the Company and Vango, however, despite best endeavours a settlement could not be reached. The Company announced on 30 June 2021 that a trial date has been set and is expected to proceed in March / April 2022. The Company is now preparing for this stage of the proceedings.

The K2 Project has been re-named by Vango as PHB-1 and has become Vango's "flagship project".

No asset has been recorded in the financial report for this value as the outcome is unknown. In the event that the dispute does not conclude satisfactorily for the Company, material additional costs may be incurred.

The Company may be liable to pay special consideration as defined in the Auracle Group loan agreement as outline in note 22 (c) below in the event that there is a favourable outcome in the Vango proceedings.

22. Related party transactions

(a) Key management personnel

Disclosures relating to key management personnel are set out in note 20.

(b) Loans to and transactions with related parties

Disclosures relating to key management personnel are set out in note 20.

During the year the Company incurred office rent of $52,000 (2020: $52,000) at normal commercial rates paid/payable to Ms Guo for rental of the Company's office in Sydney. At 30 June 2021, there were no amounts outstanding to Ms Guo for office rent.

The Company had no outstanding receivables from its directors or other related parties as at 30 June 2021.

(c) Auracle loan

During the year, the Company entered into a loan facility agreement with Auracle Group Pty Limited (**Auracle Group**) (after approval by shareholders). Auracle Group Pty Limited is associated with the Company's managing director, Hui Guo.

Auracle Group has agreed to provide financial assistance to the Company by way of the Loan Agreement, with funds to be applied toward the associated costs of the K2 Project litigation against Vango.

The Loan Agreement is structured as follows:

(a) an initial advance by Auracle Group to the Company of $300,000 was converted to equity by the issue of 10,000,000 shares a at an issue price of $0.03 per share and the issue of 80,000,000 options each exercisable at $0.05 and expiring 14 December 2025. Information on issue of shares is in note 16(a) and the fair value and information for the options is in note 17(a);

(b) at Auracle Group's sole discretion, a loan facility of up to $700,000 which may be drawn down by the Company over a 5-year period starting from the date of the Loan Agreement, after approval was obtained from shareholders on 11 December 2020. The maximum aggregate face value is up to $700,000, depending on the litigation funding requirements;

(c) On 11 December 2020, 1,000,000 shares at an issue price of $0.03 per share were issued to Auracle Group in consideration for the payment of a loan facility fee of $30,000.

(d) Interest is payable at 8% per annum and is accrued and calculated monthly for the date of each advance.

22. Related party transactions (continued)

(c) Auracle loan (continued)

On successful completion of court proceedings with Vango or a settlement in favour of the Company (**Settlement**), Auracle Group is entitled to receive special consideration for providing the Loan as calculated below (**Special Consideration**).

If the amount provided by Auracle Group under the Loan Agreement covers 100% of the Action Costs, the Special Consideration is:

- 35% of the amount recovered either through the ultimate judgement or a settlement (**Recovery**);
- Repayment of the Loan Agreement plus accrued interest.

All of the Special Consideration is paid in cash.

If the amount provided by Auracle Group under the Loan Agreement covers part but not all of the Action Costs, the Special consideration is calculated based on:

- the lower of 35% Recovery; or
- an amount equal to 5 multiples of the total Litigation Funds plus accrued interest;
- repayment in full of the total drawn down amount under the Loan Agreement plus accrued interest.

In the event of an unsuccessful completion of litigation or settlement which is not in favour of the Company:

- Auracle Group is not entitled to receive a payment of any Special Consideration; and

the Company bears any costs related to the litigation in excess of the Loan Agreement.

As at 30 June 2021 there has been no draw down on the loan facility.

23. Subsequent events

On 27 July 2021, the Company announced continuous high grade result at Paradigm East, including 4m @ 4.93 g/t Au from 71m and 10m @ 2.53 g/t Au from 51m.

On 4 August 2021, the Company announced high grade results at Credo, including 7m @ 5.22 g/t Au from 89m and 3m @ 1.54 g/t Au from 132m.

On 15 September 2021, the Company announced the presence of broad gold zones at bothe Breakaway Dam and Credo Well.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

24. Notes to the statement of cash flows

	2021	RESTATED 2020
	$	$
Reconciliation of net loss after income tax to net cash outflow from operating activities		
Loss for the year	(6,176,821)	(1,658,891)
Adjusted for:		
Depreciation	44,166	52,926
Share-based payments	4,311,470	176,173
Settlement of debts via equity	245,823	122,684
Change in operating assets and liabilities		
(Increase) in trade and other receivables	(68,310)	(53,156)
(Increase) in prepayments	(6,198)	(132)
Increase in trade and other payables	(55,436)	256,564
Increase/(Decrease) in provisions	621,401	78,600
Net cash outflow from operating activities	**(1,083,905)**	(1,025,232)

24. Notes to the statement of cash flows (continued)

Non-cash investing and financing activities

The following non-cash activities occurred during the prior year and current year:

Prior year

1. On 7 August 2019 the Company issued 2,260,143 at an issue price of $0.028 per share to extinguish liabilities to the Company's creditors.
2. On 10 March 2020 the company issued 2,200,000 shares to extinguish debt. The fair value of the extinguishment of the debt was $59,400.
3. The Company has issued 10,000,000 options on 3 August 2020 to Torian as it has commenced the farm-in of the Zuleika prospect. The options have an exercise price of $0.15 and expire on 1 August 2022. The fair value of each option is $0.0036 at a grant date of 20 April 2020 and the total cost for the period was $35,870.
4. The Company has issued 5,000,000 options on 3 August 2020 to Alto Consulting for corporate services. The options have an exercise price of $0.05 and expire on 31 March 2022. The fair value of each option is $0.0136 at a grant date of 16 June 2020 and the total cost for the period was $67,862.

Current year

5. On 11 December 2020, the Company issued shares as settlement of liabilities at a fair value was $15,600.
6. The Company issued 1,000,000 shares at an issue price of $0.03 per share were issued to Auracle Group in consideration for the payment of a loan facility fee of $30,000
7. On 10 February 2021 the Company issued 2,892,937 shares to extinguish creditors at a fair value of $142,973.
8. On 10 February 2021 the Company issued 572,362 in part consideration for the acquisition of two mining tenements for $35,000.
9. On 14 December 2020, the Company issued 1,040,909 shares at an issue price of $0.055 to repay creditors at a fair value of $57,250.

25. Profit/(loss) per share

	2021 **$**	RESTATED 2020 $
From continuing operations		
Basic (cents per share)	**(1.81)**	(0.81)
Diluted (cents per share)	**(1.81)**	(0.81)

The average market price of the Company's shares did not exceed the exercise price of any of the options on issue at 30 June 2021.

(a) Reconciliation of earnings used in calculating loss per share

	2021 **$**	RESTATED 2020 $
Loss attributable to the owners of the Company used in calculating basic and diluted loss per share	**(6,176,821)**	(1,658,891)

(b) Weighted average number of shares used as the denominator

	2021 **No. of shares**	2020 No. of shares
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**340,841,662**	205,899,119

26. Share-based payments

(a) Employees and contractor's equity instruments

The Company has issued a number of securities to directors and contractors during the year and the information in relation to these transactions are outlined in notes 16 (a) and (b) and 17 (a) and (b).

26. Share-based payments (continued)

Reconciliation of expense in the statement of profit or loss

	June 2021 Number	June 2021 $
Issue of shares to Auracle (related party)	1,000,000	30,000
Options issued to directors	20,000,000	696,520
Options to be issued to director		1,682
Issue of performance rights to directors (prior year, amortisation only)		7,500
Issue of performance rights to directors (current year amortisation)	24,000,000	237,657
- Sub-total		943,359
Issue of options to consultants	10,000,000	50,000
Issue of options to Auracle (related party)	80,000,000	3,308,111
Issue of options to consultants	1,200,000	10,000
- Sub-total		3,368,110
Share based payments expense in the profit and loss		4,341,470

Reconciliation of expense in the statement of profit or loss

	June 2020 Number	June 2020 $
Issue of shares to extinguish debt	2,260,143	63,284
Issue of shares to extinguish debt	2,200,000	59,400
Amount to extinguish liabilities		122,684
Shares issued to directors	6,000,000	90,000
Issue of performance rights to directors	8,000,000	4,973
- Sub-total		94,973
Issue of shares to consultants	1,500,000	30,000
Issue of options to consultants	3,000,000	35,000
Issue of options to consultants	2,200,000	16,200
- Sub-total		81,200
Share based payments expense in the profit and loss		176,173

27. Subsidiary information

The Company has the following subsidiary:

Name	Country of Incorporation	% Equity interest		$ investment	
		2021	2020	2021	2020
Quarry Master Mining Pty Ltd	Australia	100	100	100	100

This subsidiary was dormant during the year and therefore consolidated accounts have not been prepared.

28. Remuneration of auditors

	2021 $	2020 $
Audit and review of the financial report	34,000	30,048
	34,000	30,048

The auditor of Zuleika Gold Limited is Stantons International Audit and Consulting Pty Ltd.

DIRECTORS' DECLARATION

The Directors declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with Australian Accounting Standards and International Financial Reporting Standards as disclosed in note 1(a) and give a true and fair view of the financial position of the Company as at 30 June 2021 and its performance for the year ended on that date;

(c) the audited remuneration disclosures set out in the Directors' Report comply with Accounting Standard AASB 124 Related Party Disclosures and the Corporations Act and Regulations 2001; and

(d) the Directors have been given the declarations required by s.295A of the Corporations Act 2001 for the year ended 30 June 2021.

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

On behalf of the Directors

Malcolm Carson
Executive Chairman
30 September 2021

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ZULEIKA GOLD LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Zuleika Gold Limited (the "Company"), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 Company'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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

We have determined the following matters below to be key audit matters 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 these matters.

Key Audit Matters	How the matters were addressed in the audit

Voluntary Change in Accounting Policy for Capitalised Exploration and Evaluation Expenditure

As disclosed in note 1(c) and note 6 to the financial report, during the year the Company changed its accounting policy for exploration and evaluation expenditure in accordance with *AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors ("AASB 108").*

Prior to the change, the Company capitalised acquisition costs and expensed all remaining exploration and evaluation expenditure to the statement of profit or loss. After the change the Company capitalises all exploration and evaluation expenditure where the requirements of *AASB 6: Exploration for and Evaluation of Mineral Resources ("AASB 6")* are met.

This change in accounting policy is a key audit matter due to:

- The judgement involved in assessing whether the change is allowable under the requirements of *AASB 108* and *AASB 6*.
- The significant balances, calculations and accounting work required to restate the prior year amounts now capitalised under the retrospective application requirements within *AASB 108*; and
- The amount of audit time and effort assigned to this matter throughout the audit.

Inter alia, our audit procedures included the following:

i. Obtained management's assessment on the change in accounting policy and whether this meets the requirements of *AASB 108* and *AASB 6.*

ii. Reviewed the new accounting policy to ensure it meets the requirements of *AASB 6.*

iii. Obtained management calculations of the restated balances and agreed relevant amounts to prior year audited exploration expenditure. Furthermore, verified adequate allocation of expenditure to the different area of interests.

iv. Performed substantive procedures on capitalised exploration incurred during the current year.

v. Reviewed management's assessment of the 2021 financial year expenditures' allocations to the various areas of interest to ensure reasonableness.

vi. Ensured that the right of tenure over the area of interests was current as at 30 June 2021; and

vii. Assessed the adequacy of the disclosures in accordance with the applicable accounting standards.

Key Audit Matters	How the matters were addressed in the audit

Carrying Value of Exploration and Evaluation Expenditure

As at 30 June 2021, the carrying value of the Company's Exploration and Evaluation Assets totalled $4,352,843, as disclosed in note 10 to the financial statements.

The carrying value of the Exploration and Evaluation Assets is a key audit matter due to:

- The significance of the total balance (46% of total assets).
- The necessity to assess management's application of the requirements of the accounting standard Exploration for and Evaluation of Mineral Resources ("*AASB 6*"), in light of any indicators of impairment that may be present; and
- The assessment of significant judgements made by management in relation to the Exploration and Evaluation Expenditure.

Inter alia, our audit procedures included the following:

i. Assessed the Company's right to tenure over exploration assets by corroborating the ownership of the relevant licences for mineral resources to government registries and relevant third-party documentation.

ii. Reviewed the directors' assessment of the carrying value of the capitalised exploration and evaluation costs, ensuring the veracity of the data presented and assessing management's consideration of potential impairment indicators, commodity prices and the stage of the Company's projects also against AASB 6.

iii. Evaluated the Company's documents for consistency with the intentions for continuing exploration and evaluation activities in areas of interest and corroborated in discussions with management. The documents we evaluated included:

   - Minutes of meetings of the Board and management;
   - Announcements made by the Company to the Australian Securities Exchange; and
   - Cash flow forecasts.

iv. Considered the requirements of accounting standard AASB 6 and reviewing the financial statements to ensure appropriate disclosures are made.

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Key Audit Matters	How the matters were addressed in the audit

Measurement of Share-based Payments

As disclosed in Note 26 to the financial statements, during the year the Company granted 3,000,000 shares, 111,200,000 options and 24,000,000 performance rights to directors or director related companies, management, consultants, advisors and as compensation for the acquisition of tenements. The total fair value recognised as share-based payments amounted to $4,341,470.

The Company accounted for these shares, options and performance rights in accordance *AASB 2: Share-based Payment.*

Measurement of share-based payments is a key audit as they involved judgment in assessing the fair value of the equity instruments granted, the grant date, vesting conditions and vesting periods.

Inter alia, our audit procedures included the following:

i. Obtained an understanding of the underlying transactions, reviewing agreements, minutes of the Board meetings and ASX announcements.

ii. Reviewed management's determination of the fair value of the share-based payments granted, considering the appropriateness of the valuation models used, the underlying assumptions used and discussing with management the justification for these inputs.

iii. Assessed the accounting treatment and its application in accordance with AASB 2; and

iv. Assessed the adequacy of the disclosures in accordance with the applicable accounting standards.

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 opinion thereon.

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

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

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concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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.

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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

We have audited the Remuneration Report included in pages 14 to 17 of the directors' report for the year ended 30 June 2021. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards

Opinion on the Remuneration Report

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

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

Stantons International Audit and Consulting Pty Ltd

Samir Tirodkar
Director

West Perth, Western Australia
30 September 2021

ASX ADDITIONAL INFORMATION

The following additional information is required by the Australian Securities Exchange. The information is current as at 16 September 2021.

(a) Distribution schedule and number of holders of equity securities as at 16 September 2021

	1 – 1,000	1,001 – 5,000	5,001 – 10,000	10,001 – 100,000	100,001 and over	Total
Fully Paid Ordinary Shares	27	51	105	480	335	998
Options expiring 31 January 2022	-	-	-	-	2	2
Options expiring 31 March 2022	-	-	-	1	15	16
Options expiring 7 April 2022	-	-	-	-	6	6
Options expiring 31 March 2022	-	-	-	-	6	6
Options expiring 1 August 2022	-	-	-	-	1	1
Options expiring 14 December 2023	-	-	-	-	2	2
Options expiring 14 December 2025	-	-	-	-	1	1
Options expiring 14 December 2022	-	-	-	-	1	1
Performance rights	-	-	-	-	3	3

The number of holders holding less than a marketable parcel of fully paid ordinary shares as at 16 September 2021 is 280.

(b) 20 Largest holders of quoted equity securities as at 16 September 2021

The names of the twenty largest holders of fully paid ordinary shares are:

Rank	Name	Units	% of Units
1	BNP PARIBAS NOMINEES PTY LTD	35,590,700	8.68
2	MS QIAN HUANG	16,567,247	4.04
3	GLENEAGLE SECURITIES NOMINEES PTY LIMITED	13,600,000	3.32
4	DEZHI QIU	12,510,747	3.05
5	AURACLE GROUP PTY LTD	11,000,000	2.68
6	CITICORP NOMINEES PTY LTD	10,913,851	2.66
7	ENTERPRISE NO 2 PTY LIMITED	10,000,000	2.44
8	TALEX INVESTMENTS PTY LTD	9,900,000	2.41
9	FUNG LIN WAH GROUP LIMITED	8,400,000	2.05
10	CCGF HOLDINGS PTY LTD	8,375,711	2.04
11	COLUMBUS MINERALS PTY LTD	8,321,982	2.03
12	YAO DONG LIN	8,000,000	1.95
13	MINERAL RESOURCE CONSULTANTS PTY LTD	7,257,143	1.77
14	SPINITE PTY LTD	7,000,000	1.71
15	HUI GUO	6,000,000	1.46
16	NEWMEK INVESTMENTS PTY LTD	4,712,303	1.15
17	GLENEAGLE SECURITIES (AUST) PTY LIMITED	4,545,454	1.11
18	HONGLAN LIU	4,468,182	1.09
19	MR ZHONGJIE GUO	4,403,480	1.07
20	WB MANAGEMENT PTY LTD	4,383,181	1.07
	Total	**195,949,981**	**47.78**

ASX ADDITIONAL INFORMATION

The names of the twenty largest holders of options exercisable at $0.10 and expiring 31 January 2023 are:

Rank	Name	Units	% of Units
1	CG NOMINEES (AUSTRALIA) PTY LTD	10,000,000	21.48
2	CS THIRD NOMINEES PTY LIMITED	7,272,728	15.62
3	BNP PARIBAS NOMINEES PTY LTD	3,757,574	8.07
4	CITICORP NOMINEES PTY LIMITED	2,424,242	5.21
5	GLENEAGLE SECURITIES (AUST) PTY LTD	1,515,151	3.25
6	HONGLAN LIU	1,489,394	3.2
7	WB MANAGEMENT PTY LTD	1,212,121	2.6
8	LSG RESOURCES PTY LTD	1,000,000	2.15
9	NATIONAL NOMINEES LIMITED	718,338	1.54
10	MR RICHARD ARTHUR LOCKWOOD	631,506	1.36
11	HMB SUPER PTY LTD	606,061	1.3
12	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	533,333	1.15
13	TALEX INVESTMENTS PTY LTD	520,993	1.12
14	ZHONGJIE GUO	500,000	1.07
15	NATIONAL NOMINEES LIMITED	494,996	1.06
16	SIZZ PTY LTD	473,630	1.02
17	CHIFLEY PORTFOLIOS PTY LTD	473,629	1.02
18	DRAGON TREE CAPITAL PTY LTD	467,800	1.00
19	MR RICHARD ARTHUR LOCKWOOD	435,161	0.93
20	TALEX INVESTMENT PTY LTD	359,008	0.77
	Total	**34,885,665**	**74.92**

Australian Securities Exchange Listing – Official Quotation has been granted for 410,093,373 ordinary fully paid shares and 46,563,638 options each exercisable at $0.10 and expiring 31 January 2023.

(c) Substantial Shareholders

Substantial shareholders in Zuleika Gold Limited and the number of equity securities over which the substantial shareholder has a relevant interest as disclosed in substantial holding notices provided to the Company are listed below:

Substantial Shareholder	No of Shares Held
nil	-

(d) Unquoted Securities

There are 140,633,333 unquoted options and 32,000,000 unquoted performance rights on issue as at 16 September 2021.

(e) Names of persons holding more than 20% of a given class of unquoted securities (other than incentive securities issued to employees) as at 16 September 2021

Options expiring 31 Janaury 2022 – Weswood Pty Ltd holds 66.67% and Oblivion Pty Ltd holds 33.33% of the 3,000,000 options on issue

Options expiring 31 March 2022 – No holder holds more than 20% of the 13,333,333 options on issue

Options expiring 7 April 2022 – Zhongie Guo holds 49.4% of the 8,100,000 options on issue

Options expiring 31 March 2022 – AJ Locantro and Jeccs Pty Ltd each hold 25% of the 5,000,000 options on issue

Options expiring 1 August 2022 – Torian Resources Ltd holds 100% of the 10,000,000 options on issue

Options expiring 14 December 2025 – Auracle Group Pty Ltd holds 100% of the 80,000,000 options on issue

Options expiring 14 December 2022 – GB & TM Ralston holds 100% of the 1,200,000 options on issue

Other than classes of incentive securities issued to employees, there are no other classes of unquoted securities on issue as at 16 September 2021.

ASX ADDITIONAL INFORMATION

(f) Restricted Securities at 16 September 2021

There are no restricted securities on issue as at 16 September 2021.

(g) Voting Rights

All fully paid ordinary shares carry one vote per ordinary share without restriction.

(h) Company Secretary

The Company Secretary is Mr Michael Higginson.

(i) Registered Office

The Company's Registered Office is 36 Prestwick Drive, Twin Waters, QLD 4564.

(j) Share Registry

The Company's Share Registry is:
Advanced Share Registry
110 Stirling Highway
Nedlands, Western Australia, 6009
+61 8 9389 8033 (Telephone)
*61 8 9262 3723 (Facsimile)
www.advancedshare.com.au

(k) On-Market Buy-back

The Company is not currently performing an on-market buy-back.

(l) Schedule of interests in mining tenements

Please refer to the Operations Report.