Australia United Mining Limited

ABN 35 126 540 547

Annual Report

For the year ended 30 June 2021

Corporate Directory

AUSTRALIA UNITED MINING LIMITED
ABN 35 126 540 547

REGISTERED OFFICE
Australia United Mining Ltd
Suite 606, 84 Pitt Street
Sydney, NSW 2000
Telephone: (61) 2 9252 4525
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Web: www.australiaunitedmining.com.au
Email: office@australiaunitedmining.com.au

DIRECTORS
Xiaojing Wang (Executive Chairman)
Jia Yu (Non-Executive Director)
Tao Wang (Non-Executive Director)

COMPANY SECRETARY
Xuekun Li

AUDITOR
INP Sydney
Suite 2109, Level 21, 233 Castlereagh Street
Sydney NSW 2000

SHARE REGISTRY
Computershare Investor Services Pty Ltd
452 Johnston Street
Abbotsford Vic 3067
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or
+613 9415 4000 (outside Australia)

STOCK EXCHANGE LISTING
Australian Securities Exchange
ASX Code – AYM

Contents

Directors' report

The Directors present their report together with the financial report of the consolidated entity consisting of Australia United Mining Limited and its controlled entities (the Group), for the financial year ended 30 June 2021.

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

The qualifications, experience and special responsibilities of each person who has been a Director of Australia United Mining Limited, together with details of the Company Secretary, during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

CURRENT DIRECTORS	
XIAOJING WANG Executive Chairman *Appointed 2 May 2012*	Mr Xiaojing Wang holds a Diploma of Business Management and has extensive commercial and corporate experience, including the management of the Oriental Foundation International Automobile City. Its total investment exceeds RMB 2 billion (AUD 353 million), and includes 18 automobile stores. Mr Wang is also responsible for the management of Beijing Orient Outlets Factory Shop; with a building area of around 90,000 square metres, the outlet shop is a large sale shopping centre complex offering numerous domestic and foreign brands. Mr Wang also has extensive energy and resources experience, and holds interests in Zhouqu Chinese Electric Power Corporation, a hydroelectric power station producing 51,000 kilowatts of power and Gansu Zhongyuan Chinese Energy Source Investment Corporation, as well as interests in the Beisha Hongshan Mining Area and the Hougou Mining District. During the past three (3) years, Mr Wang has not served as a director on any other Australian public company.
JIA YU Non-Executive Director *Appointed 2 May 2012*	Ms Yu holds a Bachelor of Political Science and Law Degree and has passed the British Association of Chartered Certified Accountants exam. She is currently an Executive Officer with the Oriental Foundation Investment Group, a large company based in Beijing with interests in real estate, the mineral industry, the energy sector and the finance sector. During the past three (3) years, Ms Yu has not served as a director on any other Australian public company.
TAO WANG Non-Executive Director *Appointed 8 July 2020*	Mr Wang has extensive experience in energy and resource industry. He is the General Manager of Gansu Zhongyun Huaxia Energy Investment Limited Company, which was incorporated in 2006 and specialises in investments in utility and mineral industries. He has rich management and investment experience with extensive contacts and keen market insight. During the past three (3) years, Mr Wang has not served as a director on any other Australian public company.
XINHUA GENG Non-Executive Director *Appointed 8 March 2019* *Resigned 8 July 2020*	Mr. Geng took senior position in Shandong Huimin Foreign Trade Company, Beijing Chuangshi Jiaye Advertising Co., Ltd, Shanghai Furun Investment Management Center and Shandong Gold Pty Ltd. During the years of employment, he has accumulated rich management and investment experience. He also has extensive contacts and keen market insight.

XUEKUN LI

Company Secretary

Appointed 6 September 2019

Ms Li specialises in providing corporate and financial services to various business, including listed companies as well as small and medium private business.

Ms Li has over 20 years' experience in corporate governance and business finance. She is a chartered accountant and a member of Governance Institute of Australia. Ms Li started her career with PwC China where she gained a solid accounting background. After migrating to Australia, Ms Li has developed herself as a professional of corporate management and governance. She held a variety of senior positions including company secretary and financial officer for a number of listed and private companies. Ms Li is a Director and Company Secretary of Kemao Industries Limited (NSX: KEM) and the Company Secretary of Energy Metals Limited (ASX: EME).

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was to continue develop its exploration and mining projects in New South Wales and Queensland.

REVIEW OF OPERATIONS

The Group holds tenure over four projects in New South Wales and Queensland, all of which contain prospects with targets identified. Three of the projects show evidence of significant historical gold production.

Sofala – EL7423 (Joint Venture with MinRex Resources Limited)

The Sofala Project is located approximately 30km north of Bathurst in the central west of New South Wales and covers a portion of Sofala Volcanics and younger sediments on the eastern side of the Hill End Trough. The area is host to a large number of vein style gold occurrences especially within the central portion of the project and these are likely to be the source area for much of the alluvial gold historically mined about the villages of Sofala and Wattle Flat and along the Turon River. Hard-rock gold workings occur at Surface Hill, the Queenslander mine, Solitary Reef and other locations.

As announced to the market on 22 October 2020 and 4 March 2021, the Group entered into a Farm-in and Joint Venture Agreement with Sofala Minerals Pty Ltd ("Sofala Minerals") whose interest and obligations were acquired by MinRex Resources Limited (ASX: MRR). Under the Farm-in and Joint Venture Agreement, MRR is the Joint Venture Operator in charge of exploration work program and activities on EL7423. MRR has the right to acquire an initial 51% interest in EL7423 by sole funding exploration and development expenditure of $750,000. Following the acquisition of the 51% interest, upon another non-refundable cash payment of $50,000, MRR has the right to acquire an additional 29% interest by sole funding exploration and development expenditure of additional $1,500,000. Refer to MRR's ASX announcements on 4 March 2021 and 26 March 2021 for detail work done on EL7423.

Karangi – EL8402 (100% AYM)

The Karangi Project is located approximately 10kms north-west of Coffs Harbour and approximately 500 kms north of Sydney. The tenement is considered to have potential for epigenetic vein, stratabound massive sulphide and exhalative-hosted gold and base metals deposits. There are a very large number of gold, copper, mercury and manganese occurrences within the project area. The Illabo mine and the Beacon Group are the largest past gold producers. At the Mount Brown mine, copper is the predominant metal, while native mercury occurs at the Woolgoola prospect.

Drilling plans are still current pending access negotiations with landholders. The nature of the topography, environmental constraints and likely social concerns will provide significant challenges and can be expected to add considerably to any exploration budget.

Minimum exploration activities were undertaken during the financial year.

Honeybugle – EL7041 (100% AYM)

The Honeybugle Project is located approximately 40kms south-southwest of Nyngan in the central west of New South Wales. The tenement is centred over a large mafic intrusive complex and, although mainly concealed, is well defined by aeromagnetics. This area is deeply weathered and contains metalliferous lateritic soil profiles enriched in platinum, nickel, cobalt and scandium. The Group has completed a high resolution aeromagnetic and radiometric survey with follow up ground magnetic surveying completed.

Three intense magnetic anomalies were defined as drilling targets and, although the source of the anomalies is not known, they may possibly represent ultramafic pipes enriched in platinum group elements.

During the year, Icarus Mines Pty Ltd, the Company's wholly-owned subsidiary, received a Notice from Regional NSW – Mining, Exploration and Geoscience ("NSW Department") regarding its application for the renewal of Exploration License 7041. Due to a compliance issue, the application has been put on stop-the-clock to allow NSW Department to investigate further. The Group has engaged an independent consultant to negotiate with the NSW Department.

Forsayth – ML 3417, ML3418, EPM 14498 (Joint Venture with Forsayth Resources Pty Ltd)

The project is located around and to the south-east of the town of Forsayth in North Queensland within the Forsayth Province of the Georgetown Inlier. The Etheridge gold field produced about 600,000 oz gold, but of the two largest mines at Forsayth, the Caledonian produced 10,900 oz and the Ropewalk 1,931 oz. Over 50 historic gold workings, prospects and significant past producing mines occur within the project area and at least 18 companies have explored the area.

As announced to the market on 14 October 2020 and 2 December 2020, the Group entered into a Cooperation Agreement with Forsayth Resources Pty Ltd ("Forsayth Resources") to develop its Forsayth Project, including Tenement ML3417, ML3418, and Tenement EPM14498 ("the Joint Venture Agreement"). Under the Joint Venture Agreement, Forsayth Resources, as the operator of the joint venture, is responsible for exploration work plan and activities on the Forsayth Project. During the year, exploration has been focused on identifying near surface resources that can supplement ore being mined from the mining leases within EPM14498. Rock chip grab sampling of old workings at the Lady Franklin, Caledonian West and other outcropping quartz reefs were conducted. Grab samples were collected from around the historical Queenslander and Nil Desperandum gold mines as well. Positive gold results were obtained from samples of mullock collected from historical pits and trenches excavated along the west extension of the Queenslander lode.

TENEMENTS

The company appointed an independent consultant to prepare an Independent Technical Valuation Report for the valuation of mineral assets in Queensland and NSW. The preferred value of the mineral assets was $3,600,000 at 30 June 2021 based on the current market conditions and commodity prices. The directors accounted the exploration assets with reference to the valuation report.

Queensland	Licence	Equity (%)	Area (km^2)
Flying Cow & Flying Cow South	ML3418	100%	1.1
Ropewalk	ML3417	100%	1.3
New Gossan	ML3417	100%	
Lady Franklin	EPM14498	100%	49
Lightning & Lightning Flash	EPM14498	100%	
Havelock & Caravan Park	EPM14498	100%	
Queenslander	EPM14498	100%	

Nil Desperandum	EPM14498	100%	
Total Area			**51.4**
The above tenements are jointly developed with Forsayth Resources Pty Ltd.			
New South Wales	**Licence**	**Equity (%)**	**Area (km^2)**
Sofala*	EL7423	100%	40
Honeybugle**	EL7041	100%	21
Karangi	EL8402	100%	169
Total Area			**230**

*:Sofala is jointly developed with MinRex Resources Limited.

**: The renewal of the tenement is put on hold by the NSW Department. Refer to Review of Operations for details.

CHANGES IN STATE OF AFFAIRS

There was no significant change in the state of affairs of the Group during the financial year.

OPERATING RESULTS FOR THE YEAR

The consolidated profit of the Group for the financial year ended 30 June 2021 was $594,850 (2020: loss of $137,756). The Group provided an impairment provision of $34,910 on its exploration assets during the year (2020: an impairment reversal of $451,939).

REVIEW OF FINANCIAL CONDITIONS

The net assets of the Group were 3,631,667 as at 30 June 2021 (30 June 2020: $3,036,817).

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group expects to maintain a similar status and level of activities to that at present and hence there are no likely developments in the entity's operations.

SUBSEQUENT EVENTS AFTER THE END OF FINANCIAL YEAR

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while there has been no material impact on the Group's financial position and operation up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the NSW, QLD and Australian Governments and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There were no other matters or circumstances arising since the end of the reporting period that have significantly affected or may significantly affect the operations of the Company and the results of those operations or the state of the affairs of the Group in the financial period subsequent to 30 June 2021.

ENVIRONMENTAL REGULATIONS

The Group's exploration and mining tenements are located in New South Wales and Queensland. The operation of these tenements is subject to compliance with the New South Wales, Queensland and Commonwealth mining and environmental regulations and legislation.

Licence requirements relating to ground disturbance, rehabilitation and waste disposal exist for all tenements held. The Directors are not aware of any significant breaches of mining and environmental regulations and legislation during the period covered by this report.

DIVIDENDS

No dividends in respect of the current financial period have been paid, declared or recommended for payment (2020: Nil).

SHARE OPTIONS

Share options granted to directors and consultants

No share options were issued to Directors and consultants during the year.

Shares under option or issued on exercise of options

There were no shares under option at 30 June 2021 (2020: nil).

INDEMNIFICATION OF OFFICERS AND AUDITORS

During and since the financial year the Company has indemnified and entered into Deeds of Indemnity and Access with each of the current Directors to indemnify the Director or any related body corporate against a liability incurred as a Director. The Deeds provide for the Company to pay all damages and costs which may be awarded against the Directors.

The Company has paid a premium to insure the directors and officers of the Company for the period 1 July 2020 to 30 June 2021 against those liabilities for which insurance is permitted under section 199B of the *Corporations Act 2001*. Details of the nature of liabilities insured for and the amount of the premium are subject to a confidentiality clause under the contract of insurance.

No indemnity has been granted to the Auditor of the Company.

DIRECTORS' MEETINGS

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director while in office.

Directors	Board Meeting Eligible to Attend	Board Meeting Attended	Circular Resolutions Passed	Total
Mr. Xiaojing Wang	2	2	5	7
Ms. Jia Yu	2	2	5	7
Mr. Tao Wang	2	2	5	7
Mr. Xinhua Geng	-	-	-	-

DIRECTORS' SHAREHOLDINGS

The following table sets out each Director's or associated entities' relevant interest in shares, debentures, and rights or options in shares or debentures of the Company or a related body corporate as at the date of this report.

Directors	Number of fully paid ordinary shares	Number of share options
Mr. Xiaojing Wang	1,086,334,608	-
Ms. Jia Yu	11,567,199	-
Mr. Tao Wang	61,072,709	-

Xiaojing Wang holds 1,086,434,608 units of fully paid ordinary shares consisting of:

- 246,570,631 units held by Xiaojing Wang;
- 26,666,667 units held by Ever Resources Pty Ltd (Xiaojing Wang is the sole shareholder);
- 249,952,507 units held by WY Australia Investment Pty Ltd (Xiaojing Wang is the sole shareholder);
- 563,144,803 units held by W.Y. International (Australia) Pty Ltd (Xiaojing Wang controls the company).

Jia Yu holds 11,567,199 units of fully paid ordinary shares;

Tao Wang holds 61,072,709 units of fully paid ordinary shares consisting of:

- 61,072,709 units of Shandong Gold Pty Ltd (Tao Wang is the sole shareholder).

Remuneration Report (Audited)

Details of Key Management Personnel

The Directors and Key Management Personnel of Australia United Mining Limited during the 2021 financial year were:

XIAOJING WANG Executive Chairman	**JIA YU** Non-Executive Director
TAO WANG Non-Executive Director Appointed 8 July 2020	**XINHUA GENG** Non-Executive Director Resigned 8 July 2020

Remuneration policy

The Board is responsible for determining and reviewing the compensation of the directors of the Company. This process requires consideration of the levels and form of remuneration appropriate to securing, motivating and retaining executives with the skills to manage the Company's operations. The Board of Directors assesses market rates and seeks the advice of external advisers, where necessary, in connection with the structure of remuneration packages. The Board of Directors also recommends levels and form of remuneration for Non-Executive Directors with reference to performance, relevant comparative remuneration and independent expert advice. The total sum of remuneration payable to Non-Executive Directors shall not exceed the sum fixed by members of the Company in general meeting.

There is no direct relationship between the Company's Remuneration Policy and the Company's performance. That is, no portion of the remuneration of Directors is 'at risk'. However, in determining the remuneration to be paid in each subsequent financial year, the Board will have regard to the Company's performance. Therefore, the relationship between the Remuneration Policy and the Company's performance is indirect.

Director and executive remuneration

Details of the remuneration of key management personnel of the consolidated entity are set in the following tables.

Year ended 30-Jun-21	Short Term Benefits	Post Employment Benefits	Share Based Payment	Short term non-monetary benefits	Termination Benefits	Total
	Salary and fees	Superannuation	Options			
Year ended 30 June 2021:	$	$	$	$	$	$
Xiaojing Wang	100,000	9,500	-	-	-	109,500
Jia Yu	100,000	9,500	-	-	-	109,500
Tao Wang	60,000	-	-	-		60,000
Xinhua Geng	-	-	-	-	-	-
	260,000	**19,000**	**-**	**-**	**-**	**279,000**
Year ended 30 June 2020:						
Xiaojing Wang	86,664	8,233	-	-	-	94,897
Jia Yu	86,664	8,233	-	-	-	94,897
Xinhua Geng	60,000	-	-	-	-	60,000
	233,328	**16,466**	**-**	**-**	**-**	**249,794**

Shareholdings of Directors

Directors of Australian United Mining Limited holds a relevant interest, including their closely related parties, are detailed below:

Fully Paid Ordinary Shares

Directors	Balance at start of year Number	Granted as compen-sation Number	Received on exercise of options Number	Other changes Number	Balance at year end Number
Xiaojing Wang*					
2021	1,086,434,608	-	-	-	1,086,434,608
2020	1,086,434,608	-	-	-	1,086,434,608
Jia Yu					
2021	6,666,667	-	-	4,900,532	11,567,199
2020	6,666,667	-	-	-	6,666,667
Tao Wang**					
2021	-	-	-	61,072,709	61,072,709
2020	-	-	-	-	-
Jianhua Xing					
2021	94,406,009	-	-	(94,406,009)	-
2020	94,406,009	-	-	-	94,406,009

*:As announced to the market on 2 September 2021, 100,000 shares were disposed by W.Y. International (Australia) Pty Ltd, a company controlled by Xiaojing Wang. Shares directly and indirectly held by Xiaojing Wang has reduced to 10,86,334,608.

**Tao Wang, who is the sole shareholder of Shandong Gold Pty Ltd, was appointed a director of the Company on 8 July 2020.

Elements of compensation of Directors consisting of securities

The Directors' compensation may include the issuance of securities. These are at the discretion of the Board. Currently there are no elements of compensation that consist of securities for any of the Directors or the Company's management.

Executive options

There were no executive options as at 30 June 2021. (2020: Nil)

Value of options issued to directors and executives

There were no grants of share-based payment compensation to directors and senior management that relate to the 2021 financial year. (2020: Nil)

No options were exercised during the reporting period.

(End of audited remuneration report)

NON-AUDIT SERVICES

During the year, INP Sydney, the Company's auditors, has performed no other services (2020: Nil) in addition to their statutory duties.

PROCEEDINGS ON BEHALF OF THE COMPANY

As at the date of this report, no person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of these proceedings.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 13 of the annual report.

Signed in accordance with a resolution of directors made pursuant to s298 (2) of the Corporations Act 2001.

On behalf of the Directors

Xiaojing Wang
Executive Chairman
Beijing, 30 September 2021

Melbourne - Sydney - Adelaide

CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

INP Sydney
Suite 2109, Level 21, 233 Castlereagh Street, Sydney NSW 2000
Telephone: 1300 168 368

Auditors Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Australia United Mining Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the year ended 30 June 2021, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

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

INP Sydney

Christopher Wong
Partner

30 September 2021

Sydney NSW 2000

CORPORATE GOVERNANCE STATEMENT

In recognising the need for the highest standard of corporate behaviour and accountability, the Directors of Australia United Mining Limited support the principle of good corporate governance. As such, Australia United Mining Limited has adopted the fourth edition of the Corporate Governance Principles and Recommendations released by the ASX Corporate Governance Council on 27 February 2019 and became effective for financial years on or after 1 January 2020.

During the reporting period the Company continued to review and enhance its governance policies and practices and the governance framework in line with best practice. The Company's corporate governance policies will continue to be under regular review due to the ever-changing regulatory environment and the desire for the company to operate at the highest governance levels possible.

Unless otherwise disclosed below, the Company's governance practices comply with the ASX Corporate Governance Principles and Recommendations and have been applied for the entire financial year ended 30 June 2021. This Corporate Governance Statement was approved by the Board on 30 September 2021.

A description of the Company's main corporate governance practices is set out below.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1: A listed entity should have and disclose a board charter setting out:

(a) the respective roles and responsibilities of its board and management; and

(b) those matters expressly reserved to the board and those delegated to management.

The Board has adopted a charter which establishes the role of the Board and its relationship with management. The primary role of the Board is the protection and enhancement of long-term shareholder value. Its responsibilities include the overall strategic direction of the Group, establishing goals for management and monitoring the achievement of these goals. However, the Company did not disclose the Board Charter for the whole of the period. The Company will publish its Board Charter on its website.

Under the Board Charter, the Board is responsible for the direction and strategy of the Company. It makes decisions on overall control process and corporate governance to protect and promote shareholders' interest. The management is responsible for the day-to-day operations and administration to the Company.

Recommendation 1.2: A listed entity should:

(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and

(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

When a candidate is standing for election as a director, detailed biographical details, including their relevant qualifications and experience and the skills, is circulated to the Board for consideration. Confirmation of any other material directorships currently held by the candidate and his/her own interest in the Company's securities is required from the candidate. The newly appointed director holds office only until the next following annual general meeting and is then eligible for re-election by shareholders. All material biographical information of the candidate as well as the Board's statement as to whether it supports the election or re-election of the candidate are disclosed in the Notice of the Meeting.

Ms Jia Yu retired by rotation and stood for re-election at the 2020 Annual General Meeting. Mr Tao Wang, who was appointed a Director on 8 July 2020, stood for election at the 2020 Annual General Meeting. Details of their respective skills and experience were outlined in the Notice of Annual General Meeting.

Recommendation 1.3: A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

On appointment to the Board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms of appointment, including compensation relevant to the office of director. Remuneration and other terms of employment for the Executive Director and other Senior Executives are formalised in service agreements or employment agreements. Material terms of contracts of directors and senior executives are disclosed in the Remuneration Report every year.

Recommendation 1.4: The company secretary of a listed entity should be accountable directly to the board, through the chair; on all matters to do with the proper functioning of the board.

The Company Secretary is accountable directly to the Board, through the chair on all matters related to the proper functioning of the Board. The Company Secretary communicates with all directors on a regular basis and has the direct access to the chair for all matters related to the proper functioning of the board.

Corporate Governance Statement

Recommendation 1.5: The Company should:

(a) have and disclose a diversity policy;

(b) through its board or a committee of the board, set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and

(c) disclose in relation to each reporting period:
(1) the measurable objectives set for that period to achieve gender diversity;
(2) the entity's progress towards achieving those objectives; and
(3) either:
(i) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or
(ii) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined and published under the Act.

The Company has not complied with the above Recommendation as it does not have a formal diversity policy, nor does it establish measurable objectives for achieving gender diversity and annually reviewing those objectives.

With the current size of the Company and its level of activity, the Board does not consider it appropriate to formalize a diversity policy or establish measurable objectives for gender diversity. However, every candidate suitably qualified for a position has an equal opportunity of appointment regardless of gender, age, ethnicity or cultural background.

The proportion of women within the whole organization, in senior executive positions and women on the Board as at the date of this report are:

	Number	Percentage
Number of women employees in the whole organization	1	100%
Number of women on the Board	1	33%

Recommendation 1.6: A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and

(b) disclose, for each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process during or in respect of that period.

The Company does not comply with the above Recommendation. The Company currently has three directors who communicate frequently on a regular basis. All significant business decisions are discussed openly at the Board meeting. The Board does not consider it appropriate to have formal process to evaluate its committee and individual directors at this stage. During the year no performance evaluation was undertaken on the executive director and no performance evaluations undertaken on the Company's individual directors.

Recommendation 1.7: A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of its senior executives at least once every reporting period; and

(b) disclose for each reporting period, whether a performance evaluation has been undertaken in the reporting period in accordance with that process during or in respect of that period.

The Executive Chairman, Mr Xiaojing Wang, is the Chief Executive Officer of the Company. There are no other senior executives in the Company. No performance evaluation has been undertaken in the financial year.

Principle 2: Structure the board to be effective and add value

Recommendation 2.1: The board of a listed entity should:

The board of a listed entity should:

(a) have a nomination committee;

(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills,

Corporate Governance Statement

The Company does not have a nomination committee. When a new director appointment is to be made the remaining board members seek a candidate with relevant industry experience and who is willing to serve on the Board. The Board will assess the candidate's knowledge and experience before approving the appointment. The newly appointed director stands for election by shareholders at the next annual general meeting. At every Annual General Meeting one third of the Directors (except the alternate directors and Managing Director) must retire and sit for re-election.

Recommendation 2.2: A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or its looking to achieve in its membership.

Skills and experience of each director are disclosed in the Directors' Report in the Company's annual report. The Directors of the Company in office at the date of this statement are:

Name	Age	Position and Period of Office Held	Special Expertise
Xiaojing Wang	58	Executive Chairman for 9 years	Corporate management
Jia Yu	51	Non-executive Director for 9 years	Finance
Tao Wang	39	Non-executive Director for 1 year	Business development

Recommendation 2.3: A listed entity should disclose:

(a) the names of the directors considered by the board to be independent directors;

(b) if a director has an interest, position, association or relationship but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and

(c) the length of service of each director.

At the date of this Statement the Company has three directors comprising Mr Xiaojing Wang (Executive Chairman), Ms Jia Yu (Non-Executive director) and Mr Tao Wang (Non-executive director). Mr Xiaojing Wang and Ms Jia Yu are substantial shareholders of the company thus they are not independent. Mr Tao Wang is an indirect substantial shareholder of the Company. None of them is considered to be an independent director.

The Company has adopted definition of independence as set out in the Board Charter. In determining a director's independence, the following definition is applied: "An independent director is considered to be independent when he or she is independent of management and has no material business or other relationship with Australia United Mining Limited which could materially impede the objectivity of, or the exercise of independent judgment by, the director or materially influence his or her ability to act in the best interests of the Company."

In reaching its decision regarding individual director independence, the Board reserves the right to consider a director to be independent even though they may not meet one or more of the specific thresholds or tests specified in the Company's Independence Policy having regard to the underlying key definition of independence and the nature of the director's circumstances.

Details of the current directors of the Company, their skills, experience, qualifications are set out on directors' report in this financial statement are disclosed under Recommendation 2.2.

Recommendation 2.4: A majority of the Board should be independent directors.

The Board believes that the interests of the shareholders are best served by directors who are not influenced by any factor other than the Company's best interests. In spite of the fact that a majority of the Board is not classified as independent, the Board believes that every director acts in good faith and in the best interests of all shareholders at all times. Enforcement of conflict of interest protocols whereby directors who have a material personal interest in a matter are not permitted to be present during discussions or to vote on that matter further ensure this. Additionally, those directors who are not classified as independent bring to the Board particular knowledge and expertise on the business which is considered valuable and constructive by the other directors.

Directors may seek independent professional advice, at the Company's expense, on any matter connected with the discharge of their responsibilities, provided the advice, together with a copy of the letter of instructions, is provided to the Board. Non-executive directors confer without management on a regular basis as and if required.

Recommendation 2.5: The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

Xiaojing Wang has been the Chairman of the Company since May 2012. He is a major shareholder of the Company at the date of this Annual Report. This majority shareholder status renders Mr Wang non-independent under the ASX guidelines. The appointment was part of an investment agreement between Mr Wang and the Company. Mr Xiaojing Wang has been the CEO of the Company since February 2018.

Corporate Governance Statement

Recommendation 2.6: A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.

The Company has a program for inducting new directors. The Chairman or the Company Secretary will provide information covering all aspects of the Company's activities and operations to a new director. The new director may access the Company's records and directly communicate with the management.

All directors are encouraged to have continual professional development. Directors are provided with access to resources and training regarding their roles and skills gaps that are identified.

Principle 3: Instil a culture of acting lawfully, ethically and responsibly

Recommendation 3.1: A list entity should:

A listed entity should articulate and disclose its values.

The Company's value is to create wealth for shareholders by exploring for and developing its projects in a responsible manner.

ASX Corporate Governance Council's Recommendation (4th Edition) Recommendation 3.2:

A listed entity should:

- ***(a) have and disclose a code of conduct for its directors, senior executives and employees; and***
- ***(b) ensure that the board or a committee of the board is informed of any material breaches of that code.***

The Company maintains a code of conduct for its directors, senior executives and employees. In summary, the code requires that each person act honestly, in good faith and the best interests of the company; exercise a duty of care; use the powers of office in the best interests of the company and not for personal gain, declare any conflict of interest; safeguard company's assets and information and undertake any action that may jeopardize the reputation of company. However, the Company did not disclose its code of conduct during the year.

Recommendation 3.3: A listed entity should:

- ***(a) have and disclose a whistleblower policy; and***
- **(b)** ***ensure that the board or a committee of the board is informed of any material incidents reported under that policy.***

The Company does not have a formal whistleblower policy. The Company currently has one employee who has contact details of the Board and the Company Secretary. If the employee has concerns, she can directly report to the Company Secretary or the Chairman.

Recommendation 3.4: A listed entity should:

- ***(a) have and disclose an anti-bribery and corruption policy; and***
- ***(b) ensure that the board or a committee of the board is informed of any material breaches of that policy.***

The Company does not have an anti-bribery and corruption policy. The main business activities of the Company are technical studies and exploration programs to maintain tenements in good standing. All business is conducted in Australia. The Company considers the risk of giving bribes and corruption is low.

Principle 4: Safeguard the integrity of corporate reports

Recommendation 4.1 - The board of a listed entity should:

- ***(a) have an audit committee;***
- ***(b) if it does not have an audit committee, disclose that fact and the processes it employs to that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner,***

Corporate Governance Statement

The Company does not have a separately established audit committee. The Board considers that due to the Company's size, an audit committee's functions and responsibilities can be adequately and efficiently discharged by the Board as a whole, operating in accordance with the Company's mechanisms designed to ensure independent judgment in decision making.

The Board meets with the auditor at least once a year and raise questions if they have any. The appointment and the removal of the external auditor are required to receive shareholders' approval.

The Company's auditor has a proper policy regarding the rotation of the audit engagement partner and signs an independent declaration to the Company every year.

Recommendation 4.2: The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

For the financial year ended 30 June 2021, Mr Xiaojing Wang, acting as the CEO and CFO, has provided the Board with the required declarations.

Recommendation 4.3: A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

From time to time the Company releases quarterly reports and other market announcements that are not audited or reviewed by an external auditor. The periodical reports are verified with external information such as bank statements or data from external consultants. The Managing Director will have a final review on the periodic corporate reports.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1 - A listed entity should:

A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.

The Company maintains a written policy that outlines the responsibilities relating to the directors, officers and employees in complying with the company's disclosure obligations. Where any such person is of any doubt as to whether they possess information that could be classified as market sensitive, they are required to notify the Company Secretary immediately in the first instance. The Company Secretary is required to consult with the director in relation to matters brought to his attention for potential announcement. Generally, the Director is ultimately responsible for decisions relating to the marking of market announcements. The Board is required to authorise announcements of significance to the company. No member of the company shall disclose market sensitive information to any person unless they have received acknowledgment from the ASX that the information has been released to the market. However, the Company did not disclose the policy during the financial year. The Company will publish it on its website in the next financial year.

Recommendation 5.2:

A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.

All market announcements are circulated to the Board once they have been made.

Recommendation 5.3:

A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

The Company did not make such market announcements during the year.

Principle 6: Respect the rights of security holders

Recommendation 6.1: A listed entity should provide information about itself and its governance to investors via its website.

The Company provides business information on its website www.australiaunitedmining.com.au. All ASX announcements and reports can be accessed via direct link on its website.

Recommendation 6.2: A listed entity should have an investor relations program that facilitates effective two-way communication with investors.

Corporate Governance Statement

The Company encourages communication with shareholders. On each ASX announcement, the Company provides contact details, including phone number and email address to facilitate shareholder communication.

Recommendation 6.3: A listed entity should disclose how it facilitate and encourage participation at meetings of security holders.

The Company encourages its shareholders to attend shareholder meetings and sets the time and place of each meeting to promote maximum attendance by shareholders. The Company welcomes its shareholders to ask questions at the AGM or contact the Company. However, the Company did not disclose its shareholder communication policy on its website.

Recommendation 6.4: A listed entity should ensure that all substantive resolutions at a meeting of security of security holders are decided by a poll rather than by a show of hands.

All resolutions at the 2020 AGM were decided based on proxy votes. All resolutions at the 2021 AGM will be decided by a poll.

Recommendation 6.5: A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

The Company encourages electronic communication with its shareholders. Shareholders are welcome to send their queries via the publicised email address office@australiaunitedmining.com.au

The Company request shareholders to provide their email address to receive communications electronically.

Principle 7: Recognise and manage risk

Recommendation 7.1 - The board of a listed entity should:

(a) have a committee or committees to oversee risk;

(b) if it does not have a risk committee or committees that satisfy the relevant criteria, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

The Company does not have a separate committee to oversee risk as the Board has decided that it is able to oversee the Company's risk management framework efficiently and effectively without establishing a risk committee. However, the Board has established a risk management policy, under which the Board has the responsibility of determining the Company's "risk profile" and is charged with overseeing and approving risk management strategy and policies, internal compliance and internal control, also is taking the Role and Responsibilities set out below:

- Business risk management;
- Compliance with legal and regulatory obligations;
- The establishment and maintenance of the internal control framework;
- The reliability and integrity of financial information for inclusion in the Company's financial statements;
- Safeguarding the independence of the external auditor; and
- Audit, accounting and financial reporting obligations.

The Board discuss regularly on risk control and management, such as market risk and liquidity risk.

***Recommendation 7.2* - The board should:**

(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and

(b) disclose, in relation to each reporting period, whether such a review has taken place.

The Board has completed a risk assessment review of the Company's major business units, organisational structure and accounting controls and processes.

The Board has considered the results of the risk assessment and is confident that the Company's instituted risk management and internal control systems are sufficiently adequate to effectively mitigate and control the material business risks faced by the Company.

Corporate Governance Statement

Recommendation 7.3 – A listed entity should disclose:

- ***(a)*** ***if it has an internal audit function, how the function is structured and what role it performs; or***
- ***(b)*** ***if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.***

The Company does not have an internal audit function. The Company adopted systematic processes for the identification, analysis, evaluation, treatment, monitoring and reviewing of the material business risks. Periodically, the Board and senior managers will undertake a strategic risk assessment workshop to re-assess the Company's material risks and determine whether the current controls are adequate and effective.

Company size does not justify an internal audit function.

Recommendation 7.4: A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

Complying

The Company conducts exploration for minerals and currently focuses on exploration for gold and diamond in NSW and QLD. The Company's material exposure to economic, environmental and social sustainability risks have been disclosed in its annual financial report.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1 - The board of a listed entity should:

- ***(a)*** ***have a remuneration committee;***
- ***(b)*** ***if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.***

Due to the small size and simple structure, the Company has decided not to have a remuneration committee. The Board as a whole review and approve the salary package of the Managing Director and the Company Secretary by considering the knowledge and experience of the executives, the company's business scale and the market rates. For the Non-executive directors, they are paid at a fixed amount and the total fee of Non-executive directors is required to be approved by shareholders.

Recommendation 8.2: A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

The Company's non-executive directors receive a fixed fee for their services and do not receive performance-based remuneration. Fees for non-executive directors are not linked to the performance of the Company.

The Executive Director and other senior executive officers receive either salaries or consulting fees. The Board reviews executive packages regularly by reference to the executives' performance and comparable information from industry sectors and other listed companies in similar industries.

Recommendation 8.3: A listed entity which has an equity-based remuneration scheme should:

- *(a)* *have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and*
- *(b)* *disclose that policy or a summary of it.*

The Company does not have an equity-based remuneration scheme.

Principle 9: Additional Recommendations

Recommendation 9.1: A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understand and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.

All directors can speak mandarin. All key corporate documents, including Board Papers, market announcements, financial statements are prepared and discussed in both English and Chinese if required. Directors may engage independent translation services when necessary.

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the financial year ended 30 June 2021

	Note	Consolidated 30 June 2021 $	30 June 2020 $
Revenue			
Interest	3(a)	**1,308**	3,265
Other Income	3(a)	**1,252,065**	-
Government Grant and Incentive	3(a)	**97,352**	28,000
Total revenue		**1,350,725**	31,265
Expenses			
Employee benefits expense	3(b)	**(192,513)**	(110,006)
Depreciation and amortisation expenses	3(b)	**(24,794)**	(88,802)
Travel and accommodation expenses		**(1,606)**	(24,464)
Legal and corporate fees		**(102,360)**	(25,090)
Insurance expense		**(23,824)**	(28,063)
Finance costs		**(79,026)**	(46,251)
Fair value loss on financial assets		**(50,000)**	-
Provision/(reversal) of impairment on exploration asset		**(34,910)**	451,939
Directors' fees		**(140,000)**	(193,332)
Other expenses		**(106,842)**	(104,952)
Total expenses		**(755,875)**	(169,021)
Profit/(loss) before income tax		**594,850**	(137,756)
Income tax expense	4	**-**	-
Profit/(loss) after income tax expense attributable to the members of Australia United Mining Limited		**594,850**	(137,756)
Other comprehensive income		**-**	-
Total comprehensive income/(expense) attributable to the members of Australia United Mining Limited		**594,850**	(137,756)
Earnings per share			
Basic (cents per share)	5	**0.03**	(0.01)
Diluted (cents per share)	5	**0.03**	(0.01)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position as at 30 June 2021

		Consolidated	
	Note	**30 June 2021 $**	30 June 2020 $
Current assets			
Cash and cash equivalents	17	**129,431**	30,381
Other receivables	6	**5,577**	17,700
Investment in listed shares	7	**950,000**	-
Other assets	8	**120**	21,049
Total current assets		**1,085,128**	69,130
Non-current assets			
Environmental bonds backed by term deposits	8	**248,726**	248,726
Plant and equipment	9	**82,998**	97,145
Right-of-use asset	10	**-**	12,218
Exploration and evaluation assets	11	**3,600,000**	3,600,000
Total non-current assets		**3,931,724**	3,958,089
Total assets		**5,016,852**	4,027,219
Current Liabilities			
Trade and other payables	12	**58,660**	57,421
Lease liabilities	13	**-**	10,764
Provisions	14	**8,214**	4,701
Total current liabilities		**66,874**	72,886
Non-current Liabilities			
Payables due to related parties	15	**1,318,311**	917,516
Total non-current liabilities		**1,318,311**	917,516
Total liabilities		**1,385,185**	990,402
Net assets		**3,631,667**	3,036,817
Equity			
Issued capital	16	**40,937,534**	40,937,534
Accumulated losses		**(37,305,867)**	(37,900,717)
Total equity		**3,631,667**	3,036,817

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the financial year ended 30 June 2021

	Issued Capital $	Other Reserve $	Options reserve $	Accumulated Losses $	Total $
Balance at 1 July 2020	**40,937,534**	**-**	**-**	**(37,900,717)**	**3,036,817**
Profit attributable to members of the consolidated entity	**-**	**-**	**-**	**594,850**	**594,850**
Total comprehensive income for the year	**-**	**-**	**-**	**594,850**	**594,850**
Balance at 30 June 2021	**40,937,534**	**-**	**-**	**(37,305,867)**	**3,631,667**
Balance at 1 July 2019	40,937,534	-	-	(37,762,961)	3,174,573
Loss attributable to members of the consolidated entity	-	-	-	(137,756)	(137,756)
Total comprehensive expense for the year	-	-	-	(137,756)	(137,756)
Balance at 30 June 2020	40,937,534	-	-	(37,900,717)	3,036,817

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows for the financial year ended 30 June 2021

	Note	Consolidated 30 June 2021 $	30 June 2020 $
Cash flow from operating activities			
Payments to suppliers and employees		**(423,336)**	(369,422)
Receipts from government grant and incentive		**97,352**	28,000
Interest received		**1,308**	3,265
Finance costs		**-**	(4,448)
Net cash used in operating activities	17	**(324,676)**	(342,605)
Cash flow from investing activities			
Proceeds from farm-out of tenement interests		**250,000**	-
Payments for exploration assets		**(34,910)**	(48,060)
Proceeds from disposal of plant and equipment		**3,636**	-
Net cash generated from/(used in) investing activities		**218,726**	(48,060)
Cash flow from financing activities			
Proceeds from borrowings		**205,000**	383,932
Net cash provided by financing activities		**205,000**	383,932
Net increase/(decrease) in cash and cash equivalents		**99,050**	(6,733)
Cash and cash equivalents at the beginning of the year		**30,381**	37,114
Cash and cash equivalents at the end of the year	17	**129,431**	30,381

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Australia United Mining Limited (the company) is a listed public company, incorporated in Australia. Its registered office and principal place of business is Suite 606, 84 Pitt St, Sydney NSW2000.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2021. The directors have the power to amend and reissue the financial statements.

Basis of preparation

The financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations, and comply with other requirements of the law. The financial statements are for the consolidated entity consisting of Australia United Mining Limited and its subsidiaries ("the Group"), which are all for-profit entities.

Accounting Standards include International Financial Reporting Standards as adopted in Australia. Compliance with the International Financial Reporting Standards as adopted in Australia ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards ('IFRS'). The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars and rounded to the nearest dollar, unless otherwise noted.

Going Concern

The financial statements have been approved by the Directors on a going concern basis. In determining the appropriateness of the basis of preparation, the Directors have considered the impact of the COVID19 pandemic on the position of the Group at 30 June 2021 and its operations in future periods. The ability of the Group to continue as a going concern is dependent on the ability to liquidate its financial assets including $950,000 investment in listed shares, financial support received from the major shareholders and directors and its ability to secure additional funding through borrowings or capital raisings as and when required to continue to meet its working capital requirements in the next 12 months. These conditions indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe that they will be able to secure funds via borrowings or capital raisings as required and that the Group will continue as a going concern and as a result the financial report has been prepared on a going concern basis. The Company has received the financial support through a loan facility W.Y. International (Australia) Pty Ltd, a related company controlled by Mr Wang and Ms Yu, who are the Company's directors and have committed to providing ongoing financial support to the company in meeting its ongoing cash commitments as and when required. Under a loan agreement between the Company and W.Y. International (Australia) Pty Ltd, there was $100,444 unused financing facility available at 30 June 2021.

However, should the Group be unable to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that different from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Significant accounting policies

New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new and revised Standards and Interpretations that are relevant to its operations and effective for the current year. The adoption of AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material, AASB 2019-1 Amendments to Australian Accounting Standards – References to the Concept Framework and AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia did not have any impact on the on the consolidated financial statements of, not is there expected to be any future impact to the Group.

Standards and interpretations issued not yet effective

At the date of authorisation of the Financial Statements, any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The potential effect of the revised Standards on the Company's financial statements has not yet been determined.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

(a) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(b) Trade and other receivables

Receivables are recognised initially at fair value, less any allowance for expected credit losses. Receivables are generally due for settlement within 30 days.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. Allowance for expected credit loss is established, using the expected credit loss model under AASB9 when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the receivable is impaired. The amount of the allowance is for expected credit losses is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the expected credit loss is recognised in the consolidated profit or loss and other comprehensive income. When a receivable for which an allowance for expected credit losses had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the profit or loss.

(c) Financial instruments

Classification

There are three principle classification categories for financial assets: measured at amortised cost, at fair value through other comprehensive income (FVTOCI) and at fair value through profit and loss (FVTPL). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

The Group classifies its financial assets in the following category: financial assets at amortised cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Recognition and Derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Subsequent Measurement

Loans and receivables and other financial assets measured at amortised cost are carried at amortised cost using the effective interest method.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI.

Financial assets at fair value through profit or loss are subsequently carried at fair value. Gains on financial assets at fair value through profit or loss are recognised in profit or loss.

Impairment

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime ECL (expected credit loss) when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

12-month ECL represents the portion of lifetime ECL that is expected to result from default events on financial instrument that are possible within 12 months after the reporting date.

(d) Plant and equipment

Plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value and straight line basis so as to write off the net cost amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes recognised on a prospective basis.

The gain or loss arising on disposal or retirement of an item of plant or equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit and loss.

The following useful lives are used in the calculation of depreciation

Plant and equipment	3 – 7 years	Diminishing value method
Computer equipment	2.5 – 4 years	Diminishing value and straight line method
Motor vehicles	4 years	Diminishing value method

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(e) Exploration and evaluation assets

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:

- 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
- exploration and evaluation activities in the area of interest have not at the end of the reporting period reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant 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 and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measure 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 recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) 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 proceed with the development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance will then be reclassified to development.

(f) Right of use asset

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments are split into a principal and interest portion which will presented as financing and operating cashflows respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(g) Impairment of Assets

Assets are tested 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 of 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 that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(h) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(i) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required, and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to the end of the reporting period.

<u>Defined contribution plans</u>

Contributions to defined contribution superannuation plans are expensed when incurred.

(j) Contributed equity

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.

(k) Earnings per share

Basic earnings per share is determined 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.

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 additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(l) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the statement of financial position. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(m) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(n) Revenue

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(o) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

a. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financial activities which are recoverable from or payable to the taxation authority are presented as operating cash flows.

(p) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made. As the asset is not available for use it is not depreciated or amortised.

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset 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.

Key estimates

Tax losses

The company has not recognised a deferred tax asset with regard to unused tax losses and other temporary differences, as it has not been determined whether the company will generate sufficient taxable income against which the unused tax losses and other temporary differences can be utilised.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductable temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

(q) Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 25.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Revenue and expenses

	Consolidated	
	2021	2020
	$	$
(a) Revenue and other income		
Revenue from continuing operations consisted of:		
Interest from bank deposits	**1,308**	3,265
Other income*	**1,252,065**	-
Government grant and incentive	**97,352**	28,000
Total Revenue	**1,350,725**	31,265

*:Other income mainly represented considerations received for the farm-out of tenement interests, including $250,000 cash and listed shares with equivalent value of $1,000,000.

(b) Profit/(Loss) before income tax		
Profit/(Loss) before income tax has been arrived at after (crediting)/charging the following expenses from continuing operations:		
Depreciation and amortisation expense	**24,794**	88,802
Employee benefits	**169,175**	89,202
Superannuation	**23,338**	20,804
Total Employee benefit expense	**192,513**	110,006

4. Income Tax

	Consolidated	
	2021	2020
	$	$
Income tax recognised in profit or loss	**-**	-
Total tax expense	**-**	-

The prima facie income tax expense on pre-tax accounting profit or loss from operations reconciles to the income tax expense in the financial statements as follows:

	Consolidated	
	2021	2020
	$	$
Income tax expense/(benefit) calculated at 30% (2020: 30%)	**178,455**	(41,327)
Add/(less) tax effect of		
Tax effect of amounts which are not deductible/(taxable)	**10,387**	(106,234)
	188,842	(147,561)
Tax loss utilised not recognised as deferred tax liabilities	**(188,842)**	-
Unused tax losses not recognised as deferred tax assets	**-**	147,561
Total	**-**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(a) Deferred tax assets not brought to account, the benefits of which will only be realised if certain conditions for deductibility occur:

	Consolidated	
	2021	2020
	$	$
Unused tax losses	**19,099,348**	19,728,623
Tax expense at 30% (2020: 30%)	**5,729,804**	5,918,587

The benefit of these losses has not been brought to account at 30 June 2021 because the directors do not believe it is appropriate to regard realisation of the deferred tax asset as being probable at this point in time or that there are sufficient deferred tax liabilities to offset these losses. These tax losses are also subject to final determination by the Taxation authorities when the Group derives taxable income. The benefits will only be realised if:

(a) The company and its subsidiaries derive future assessable income of a nature and of an amount sufficient to enable the benefit of the deduction for the losses to be realised;

(b) The company and its subsidiaries continue to comply with the conditions for the deductibility imposed by law; and

(c) No changes in the tax legislation adversely affect the company and its subsidiaries in realising the benefit of the losses.

5. Earnings per share

	Consolidated	
	2021	2020
	$	$
The following reflects the income and share data used in calculating basic and diluted earnings per share:		
Consolidated net profit/(loss)	**594,850**	(137,756)
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share	**1,842,577,485**	1,842,577,485
Basic earnings per share (cents per share)	**0.03**	(0.01)
Diluted earnings per share (cents per share)	**0.03**	(0.01)

As at 30 June 2021, the Company has no options (2020: Nil) over unissued capital on issue.

6. Other Receivables

	Consolidated	
	30 June 2021	30 June 2020
	$	$
GST receivable (net)	**2,853**	12,561
Prepayments	**2,724**	5,139
	5,577	17,700

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. Investment in listed shares

	Consolidated	
	30 June 2021	30 June 2020
	$	$
Balance at the beginning of the year	**-**	-
Additions	**1,000,000**	-
Change in fair value	**(50,000)**	-
Carrying amount at the end of the year	**950,000**	-

As announced to the market on 22 October 2020, the Group entered into a Joint Venture Agreement with Sofala Minerals Pty Ltd ("Sofala Minerals") whose interest and obligations were acquired by MinRex Resources Limited (ASX: MRR). The Group received a consideration totalling $1,050,000, including a non-refundable $50,000 cash payment and $1,000,000 worth of MinRex shares at a deemed issue price of $0.02 per share. The carrying amount of listed securities were adjusted to its fair market value as at 30 June 2021.

8. Other Assets

	Consolidated	
	30 June 2021	30 June 2020
	$	$
Current Assets		
Office Rental Bond	**-**	20,929
Bond – Donsglen P Storage	**120**	120
	120	21,049
Non-Current Assets		
Deposits – environmental bonds	**248,726**	248,726
	248,726	248,726

9. Plant and Equipment

	Consolidated	
	30 June 2021	30 June 2020
	$	$
Plant and equipment – at cost	**135,285**	135,285
Less: Accumulated depreciation	**(123,418)**	(120,451)
	11,867	14,834
Office equipment – at cost	**68,331**	68,331
Less: Accumulated depreciation	**(65,484)**	(64,082)
	2,847	4,249
Motor vehicles – at cost	**25,734**	47,057
Less: Accumulated depreciation	**(23,826)**	(43,004)
	1,908	4,053
Leasehold improvements – at cost	**27,023**	27,023
Less: Accumulated depreciation	**(25,166)**	(24,701)
	1,857	2,322
Property – at cost	**201,870**	201,870
Less: Accumulated depreciation	**(137,351)**	(130,183)
	64,519	71,687
Total	**82,998**	97,145

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Plant and equipment	Office equipment	Motor vehicles	Leasehold improvements	Property	Total
Balance at 1 July 2020	**14,834**	**4,249**	**4,053**	**2,322**	**71,687**	**97,145**
Depreciation expense	**(2,967)**	**(1,402)**	**(573)**	**(465)**	**(7,168)**	**(12,575)**
Disposal during the year	**-**	**-**	**(1,572)**	**-**	**-**	**(1,572)**
Balance at 30 June 2021	**11,867**	**2,847**	**1,908**	**1,857**	**64,519**	**82,998**
Balance at 1 July 2019	18,543	6,341	5,196	2,902	79,653	112,635
Depreciation expense	(3,709)	(2,092)	(1,143)	(580)	(7,966)	(15,490)
Balance at 30 June 2020	14,834	4,249	4,053	2,322	71,687	97,145

10. Right- of- use Assets

	Consolidated	
	30 June 2021	30 June 2020
	$	$
Right of Use Assets	**-**	85,531
Less: Accumulated depreciation	**-**	(73,313)
	-	12,218
Balance at beginning of the year	**12,218**	86,131
Amortisation	**-**	(73,313)
Reversal during the year	**(12,818)**	-
Balance at end of the year	**-**	12,818

*The Group leased office space for its corporate office. The lease was terminated in July 2021.

11. Exploration and evaluation assets

	Consolidated	
	30 June 2021	30 June 2020
	$	$
Balance at beginning of the year	**3,600,000**	3,100,000
Additions	**34,910**	48,060
Impairment (loss) / reversal	**(34,910)**	451,940
Balance at end of the year	**3,600,000**	3,600,000

During the financial year the group reassessed the recoverable value of all tenement areas of interest to which exploration costs had been capitalised. The recoverability of the carrying amount of exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Impairment

The tenements are reviewed for impairment whenever events of 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 it recoverable amount. In 2021, based on an independent valuation report impairment loss was $34,910 (2020: a reversal of $451,940).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. Trade and other payables

	Consolidated	
	30 June 2021	30 June 2020
	$	$
Trade payables (i)	**10,258**	13,074
Other creditors/accrued expenses (ii)	**48,402**	44,347
	58,660	57,421

Terms and conditions relating to the above financial instruments:

(i) Trade payables are non-interest bearing and are generally settled on 30 day terms;
(ii) Other Creditors/Accrued Expenses are non-interest bearing and have an average term of 30 days.

13. Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	**1 - 5 years**	**> 5 years**	**Lease liabilities included in this Statement of Financial Position**
	$	**$**	**$**	**$**
2021				
Lease liabilities	**-**	**-**	**-**	**-**
2020				
Lease liabilities	10,764	-	-	10,764

The Group leased office space for its corporate office. The leased was finished during the year.

14. Provisions

	Consolidated	
	30 June 2021	30 June 2020
	$	$
Leave entitlements	**8,214**	4,701

The provision relates to the Group's liability for employee's annual leave entitlements. Based on past experience, the Group expects all employees to take the full amount of accrued leave or require payment within the next 12 months. The carrying amounts of provisions are assumed to be the same as their fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. Payable due to related parties

	Consolidated	
	30 June 2021	30 June 2020
	$	$
Loan from W. Y. International (Australia) Pty Ltd (i)	**1,179,440**	817,742
Loan from New China Pty Ltd ATF The Wang Family Trust	**-**	20,903
Payable due to Xinhua Geng	**78,871**	78,871
Payable due to Tao Wang	**60,000**	-
Total	**1,318,311**	917,516

(i) Being amount borrowed from W.Y. International (Australia) Pty Ltd, a related company controlled by two directors, Mr Xiaojing Wang and Ms Jia Yu. The loan is unsecured with an interest rate of 12% per annum.

16. Issued Capital

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

Year Ended 30 June 2021		Year ended 30 June 2020	
Number of Shares Issued	**Issued Capital $**	Number of Shares Issued	Issued Capital $
1,842,577,485	**40,937,534**	1,842,577,485	40,937,534

17. Notes to Statement of Cash Flows

Reconciliation of profit after tax to net cash flows from operations:

	Consolidated	
	2021	2020
	$	$
Net profit for the period	594,850	(137,756)
Interest paid on shareholders loan	76,668	41,803
Change of fair value of listed shares	50,000	-
Amounts reclassified as investment activities	(1,250,000)	48,060
Written-off of exploration expenditure	34,910	-
Right of Use Assets movement	-	(74,767)
Unpaid directors fee	140,000	193,332
Gain on disposal of fixed assets	(2,065)	-
Depreciation and amortisation expense	24,794	88,803
Impairment of exploration asset	-	(500,000)
(Increase) / Decrease in receivables	33,052	(1,665)
(Decrease) in creditors	(30,397)	(3,955)
Increase / (Decrease) in employee provisions	3,512	3,540
Net cash used in operating activities	(324,676)	(342,605)

Reconciliation of cash

Cash and cash equivalents comprise:		
Cash on hand and at call	129,431	30,381

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. Commitments for expenditure

Exploration expenditure commitments

The commitments detailed below are the required expenditure to maintain ownership of the tenements or as required by service contracts entered into by the company.

	Consolidated	
	30 June 2021	30 June 2020
	$	$
No longer than 1 year	**675,000**	418,333
Longer than 1 year and not longer than 5 years	**62,500**	1,320,000
	737,500	1,738,333

19. Financial instruments

The Board of Directors is responsible for monitoring and managing the financial risk exposures of the group, to which end it monitors the financial risk management policies and exposures and approves financial transactions and reviews related internal controls within the scope of its authority. The Board has determined that the only significant financial risk exposure of the group is liquidity. Other financial risks are not significant to the group due to the following:

- It has no foreign exchange risk as all of its account balances and transactions are in Australian Dollars;
- It has no significant outstanding unimpaired receivable balances that have a credit risk;
- Its mining operations are in the exploration phase and therefore have no direct exposure to movements in commodity prices;
- All of its interest-bearing liabilities are held at amortised cost which have fair values that approximate their carrying values as all payables have interest rate yields consistent with current market rates;
- The majority of the group's financing is from equity instruments;
- The group has no externally imposed capital requirements; and
- Interest bearing loans from directors, are not required to be repaid within 12 months from date of the financial report.

(a) Categories of financial instruments

	Consolidated	
	30 June 2021	30 June 2020
	$	$
Financial assets		
Loans and receivables	**5,577**	17,700
Cash and cash equivalents	**129,431**	30,381
Financial liabilities		
Trade and other payables	**58,660**	57,421
Other non-current payables	**1,318,311**	917,516

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's funding and liquidity management requirements. The Group manages liquidity risk by maintaining sufficient cash balances to meet obligations as and when they fall due.

The following tables detail the company's and the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	1-5 years
	%	$	$	$	$
2021					
Trade and other payables	-	**21,684**	**21,841**	**15,135**	**-**
Other long-term payables	6.37%	**-**	**-**	**-**	**1,318,311**
		21,684	**21,841**	**15,135**	**1,318,311**
2020					
Trade and other payables	-	22,397	24,037	26,453	-
Other long-term payables	6.47%	-	-	-	917,516
		22,397	24,037	26,453	917,516

20. Key management personnel compensation

Key Management Personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company. The aggregate compensation made to directors and other key management personnel of the Company and the Group is set out below:

	Consolidated	
	30 June 2021	30 June 2020
	$	$
Short-term employee benefits	**260,000**	233,328
Post-employment benefits	**19,000**	16,466
	279,000	249,794

Detailed remuneration disclosures are provided in the remuneration report on pages 9 to 11.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. Related party transactions

(a) Parent entities

The parent entity within the Group is Australia United Mining Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 26.

(d) Transactions with related parties

During the year the Group borrowed $205,000 (2020: $494,559) from W.Y. International (Australia) Pty Ltd. $76,668 interest expense was accrued for the loan balance due to W.Y. International (Australia) Pty Ltd.

(f) Payable to related parties

Refer to Note 15.

22. Segment information

Management has determined that the Group has two reportable segments of its business, being exploration and corporate administration. Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on three reportable segments of its business. There has been no trading activity in the current and prior year.

(a) Segment revenue and result

	Consolidated			
	Segment Revenue		Segment Result	
	2021	2020	2021	2020
	$	$	$	$
Exploration and mining	**1,252,065**	-	**1,212,678**	436,450
Corporate administration	**98,660**	31,265	**(617,828)**	(574,206)
	1,350,725	31,265	**594,850**	(137,756)

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 1. Segment result represented the profit/(loss) before tax earned by each segment. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

(b) Segment assets and liabilities

	Consolidated	
	30 June 2021	30 June 2020
	$	$
SEGMENT ASSETS		
Exploration and mining	**3,678,294**	3,690,574
Corporate administration	**1,338,558**	336,645
	5,016,852	4,027,219
SEGMENT LIABILITIES		
Exploration and mining	**-**	-
Corporate administration	**1,385,185**	990,402
	1,385,185	990,402

(c) INFORMATION ABOUT MAJOR CUSTOMERS

The Group does not have any external revenue at this stage. The Group is not reliant on any of its major customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. Remuneration of auditors

	Consolidated	
	30 June 2021	30 June 2020
	$	$
Audit and review of the financial reports – INP Sydney	**22,000**	22,000
Total service provided by INP Sydney	**22,000**	22,000

24. Subsequent events after the end of financial year

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while there has been no material impact on the Company's financial position and operation up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the NSW, QLD and Australian Governments and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There were no other matters or circumstances arising since the end of the reporting period that have significantly affected or may significantly affect the operations of the Company and the results of those operations or the state of the affairs of the Company in the financial period subsequent to 30 June 2021.

25. Parent entity disclosures

The following information is the disclosures pertaining to the parent entity:

	Parent	
	30 June 2021	30 June 2020
	$	$
Current Assets	**1,085,128**	69,130
Total Assets	**5,016,852**	4,027,219
Current Liabilities	**66,874**	72,886
Total Liabilities	**1,385,185**	990,402
Issued Capital	**40,937,534**	40,937,534
Accumulated losses	**(37,305,867)**	(37,900,717)
Total Equity	**3,631,667**	3,036,817
Total profit	**594,850**	(137,756)
Total comprehensive income/(expense)	**594,850**	(137,756)

26. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly owned subsidiaries:

		Ownership Interest	
Name	**Principal place of business/ Country of incorporation**	**2021**	**2020**
Icarus Mines Pty Ltd	Australia	100%	100%
Fortius Mines Pty Ltd	Australia	100%	100%

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, remuneration report and accompanying notes, are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standards and the Corporations Regulations 2001; and

   (b) give a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the year ended on that date.

2. The group has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

3. 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.

4. The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A.

5. This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

On behalf of the directors

Xiaojing Wang
Executive Chairman
Beijing, 30 September 2021

INP Sydney
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Independent Audit Report to the members of Australia United Mining Limited

Report on the Audit of the consolidated Financial Report

Opinion

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

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

(i) giving a true and fair view of the Group's financial position as at 30 June 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 Consolidated Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our opinion, we draw attention to the consolidated statement of profit or loss and other comprehensive income which indicates that the Group incurred an after tax profit of $594,850 (including $1,000,000 listed company shares recognised as other income) for the year ended 30 June 2021, and the consolidated statement of cash flows which shows net cash outflow from operating activities of $324,676. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the consolidated financial report.

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Key Audit Matters

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, however we do not provide a separate opinion on these matters.

Key audit matter	**How our audit addressed the key audit matter**
Valuation of Exploration and Evaluation Assets	
Refer to Note 11 in the consolidated financial report. At 30 June 2021, the carrying value of Exploration and Evaluation Assets is stated as $3,600,000. As all the tenements held by the Group are in the exploration stage, exploration expenditure is capitalised in accordance with Australian Accounting Standard *AASB 6 Exploration for and Evaluation of Mineral Resources*. Any impairment losses are then measured in accordance with *AASB 136 Impairment of Assets*. This area is a key audit matter due to: • The significance of the total balance (approximately 72% of total assets); and • significant judgement and expertise being required in determining whether the facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, and then consequently in measuring any impairment loss. The assistance of an independent expert was sought in this regard.	Our procedures, amongst others, included: • Obtaining the management prepared reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger; • Selecting a sample of capitalised exploration and evaluation expenditure and obtaining documentation to support the amounts capitalised in line with AASB 6; • Critically reviewing management's assessment of impairment indicators for the capitalised exploration assets under AASB 6 by: >Assessing the period for the right to explore the areas of interest have not expired or will not expire in the short term without reasonable expectation of renewal; >Reviewing forecasts to ensure that they indicate further planned exploration expenditure in the areas of interest; • assessing management's determination of any impairment losses/impairment loss reversals; • Reviewing the valuation report prepared by an independent expert; • Reviewing the board meeting minute on adopting the value recommended by the independent expert.
Going Concern	
Refer to Note 1 in the Financial Statements. We identified going concern as a key audit matter due to the Group's net cash outflow of $324,676 from operating activities and continued reliance on funding from related parties to meet short term cash requirements, together with other matters as set forth in Note1.	Our procedures, amongst others, included: • Reviewing and analysing management's budgeted cashflow forecast to 30 June 2022; • Obtaining the minutes of board meetings confirming the group is solvent; • Reviewing the going concern assessment completed by management and board of directors; • Assessing the actions recommended by the board to mitigate going concern uncertainty; • Including a material uncertainty regarding continuation as a going concern paragraph in our audit report which draws attention to the relevant going concern disclosures in the financial report.

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Other Information other than the Consolidated Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the consolidated financial report and our auditor's report thereon.

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

In connection with our audit of the consolidated financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Directors for the Consolidated Financial Report

The directors of the Company are responsible for the preparation of the consolidated 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 consolidated financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Report

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 the consolidated financial report.

A further description of our responsibilities for the audit of the consolidated financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021.

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

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CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

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Responsibilities

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

INP Sydney

Christopher Wong
Partner

30 September 2021

Sydney NSW 2000

Additional ASX Information (Unaudited)

Additional information required by the ASX and not shown elsewhere in this report is as follows. The information set out below was applicable as at 25 September 2021.

ISSUED SECURITIES

Australia United Mining Limited's ordinary shares are quoted on the Australian Securities Exchange (ASX issuer code: AYM).

SUBSTANTIAL HOLDERS

As at the Reporting Date, the names of the substantial holders of Australia United Mining Limited and the number of equity securities in which those substantial holders and their associates have a relevant interest, as disclosed in substantial holding notices given to Australia United Mining Limited, are as follows:

Holder	Class of Equity Securities	Number	%
W Y INTERNATIONAL (AUSTRALIA) PTY LTD	Ordinary shares	563,144,803	30.56
MR JIANBING ZHANG	Ordinary shares	277,546,752	15.06
WY AUSTRALIA INVESTMENT PTY LTD	Ordinary shares	249,952,507	13.57
MR XIAOJING WANG	Ordinary shares	246,570,631	13.38
MR CHAO MA	Ordinary shares	99,999,900	5.43

NUMBER OF HOLDERS

As at the Reporting Date, the number of holders of ordinary shares (being the only class of equity securities on issue in AUML) is as follows:

Class of Equity Securities	Number of holders
Ordinary Shares	467

VOTING RIGHTS OF EQUITY SECURITIES

The voting rights of each class of share are as follows:

Ordinary Fully Paid Shares – one vote per share held.

DISTRIBUTION OF HOLDERS OF EQUITY SECURITIES

The distribution of holders of equity securities on issue in the Company as at 25 September 2021 is as follows:

Distribution of ordinary shareholders

Holdings Ranges	Holders	Total Units	%
1 - 1,000	9	869	0.00
1,001 - 5,000	4	15,050	0.00
5,001 - 10,000	31	299,304	0.02
10,001 - 100,000	208	10,225,087	0.55
100,001 - over	215	1,832,037,175	99.43
Total	467	1,842,577,485	100.00

Less than marketable parcels of ordinary shares

The number of holders of less than a marketable parcel of ordinary shares based on the closing market price at the Reporting Date is as follows:

	Minimum Parcel Size	Holders	Units
Minimum $ 500.00 parcel at $ 0.009 per unit	55,556	182	4,464,348

Twenty largest shareholders

The Company only has one class of quoted securities, being ordinary shares. The names of the 20 largest holders of ordinary shares, and the number of ordinary shares and percentage of capital held by each holder is as follows:

Holder Name	Holding	%
W Y INTERNATIONAL (AUSTRALIA) PTY LTD	563,244,803	30.57
MR JIANBING ZHANG	277,546,752	15.06
WY AUSTRALIA INVESTMENT PTY LTD <WY FAMILY A/C>	249,952,507	13.57
MR XIAOJING WANG	246,570,631	13.38
CHAO MA	99,999,900	5.43
SHANDONG GOLD PTY LTD	61,072,709	3.31
EVER RESOURCES PTY LTD <EVER RESOURCES FAMILY A/C>	26,666,667	1.45
RYL NOMINEES PTY LTD <THE RYL FAMILY A/C>	21,298,092	1.16
MR FANGFA HAN	20,091,351	1.09
J P MORGAN NOMINEES AUSTRALIA LIMITED	16,714,988	0.91
MIGHTY INVESTMENT PTY LTD <MIGHTY INVEST FAMILY A/C>	14,872,973	0.81
ROBERT MCLENNAN <NATIONWIDE MINERALS S/F A/C>	13,500,000	0.73
STREAMFO INTERNATIONAL COMPANY LTD	12,500,000	0.68
W ASSETS GROUP LIMITED	12,500,000	0.68
MRS JIA YU	11,567,199	0.63
MR CHER TZE HANG MATTHIAS	11,250,000	0.61
KENG CHUEN THAM	11,250,000	0.61
BEST EXPAND INVESTMENTS LIMITED	10,500,000	0.57
NEW CHINA PTY LTD	9,800,000	0.53
ABUNDANT WISDOM LTD	9,375,000	0.51
Yuwei Chen	6,546,000	0.36
Total number of shares of Top 20 Holders	1,706,819,572	**92.66**

On-market buyback

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