

ABN 77 610 319 769

ANNUAL REPORT - 30 JUNE 2020

Corporate Information

ABN 77 610 319 769

Directors
Mr Stephen Dennis (Non-Executive Chairman)
Mr Phil Hoskins (Managing Director)
Mr Andrew Pardey (Non-Executive Director) (appointed 17 June 2020)
Mr Chris van Wijk (Executive Director) (appointed 17 June 2020)
Mr Daniel Saint Don (Non-Executive Director) (resigned 17 June 2020)
Mr Grant Davey (resigned 25 September 2019)

Company Secretary
Mr Stuart McKenzie

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Auditors
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ASX Code
Shares are listed on the Australian Securities Exchange (**ASX**) under stock code MVL.

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Managing Directors' report

Dear Shareholders

On behalf of the Directors, I am pleased to introduce the 2020 Annual Report for Marvel Gold Limited. The past 12 months has been a challenging period as we sought to overcome the disappointment of US based international private investment firm Castlelake L.P. (**Financier)** electing not to proceed with finance for the development of the Chilalo Graphite Project (**Chilalo**) and have repositioned the Company as a Mali focused gold explorer.

We began the financial year firmly focused on meeting the conditions required for the Financier to make available finance for the development of Chilalo; a key condition being completion of a definitive feasibility study (**DFS**). The DFS was delivered in January and confirmed Chilalo to be a robust project that generates strong margins and cash flow, based on a Probable Reserve of 9.2 million tonnes, underpinning an estimated 18-year mine life producing approximately 50,000tpa of high-value graphite products.

Receipt of the DFS enabled the Financier to commence the final phase of its due diligence, however this occurred at the same time as the outbreak of the COVID-19 global pandemic. Owing to the economic impact of COVID-19 and the subsequent market fallout which resulted in a sharp decline in the Company's market capitalisation, the Financier elected not to proceed with financing for the development of the Chilalo Project. The Financier's decision was reached prior to the completion of its due diligence and is therefore not a negative reflection on the quality of the Chilalo Project, the Tanzanian investment climate for mining projects or the coarse flake graphite market opportunity.

The Company was then able to negotiate amendments to the agreements with the Financier whereby their security was confined to Chilalo Project related assets, with no legal recourse to Marvel Gold Limited. Such an amendment was critical, as it enabled the Company to pursue other opportunities and raise capital.

Subsequently, we acquired an interest in a Joint Venture with Altus Strategies Plc to earn-in to two Mali gold exploration projects, Tabakorole and Lakanfla and completed a $5 million capital raising comprised of a share placement and entitlement offer.

The Tabakorole Gold Project hosts a historical mineral resource of almost 600,000oz of contained gold that was completed in 2007. We are currently preparing an updated mineral resource estimate that will include a number of high-grade intersections since 2007 as well as recent drilling completed by Marvel which recorded several high-grade results, including 38m at 2.1g/t gold from 145m, including 14m at 4.7g/t gold from 145m. We are excited by the opportunity to improve both the size and grade of the Tabakorole mineral resource.

Lakanfla hosts a significant number of active and historic artisanal gold workings and historical drilling has returned encouraging intersections including 26m at 5.1 g/t Au from 32m (hole 04KRC-02) and 18m at 4.31 g/t Au from 34m. The geology at Lakanfla is similar to the 4.5Moz Yatela deposit, located 35km to the north-west and also the Sadiola FE3 and FE4 pits which are around 3km to the north-west of Lakanfla. Drilling recently commenced at Lakanfla, with the first assay results expected in November.

We have worked hard to assemble an attractive portfolio of exploration assets and in a transaction with ASX listed Oklo Resources Limited acquired an 80% interest in three South Mali gold projects, covering 675km^2 of highly prospective Birimian Greenstone terrain in South Mali. In addition, we have an exclusive option to acquire the Sakaar exploration licence that is strategically located 15km south of Lakanfla.

In order to strengthen the Company's west African gold exploration expertise, Andrew Pardey and Chris van Wijk have joined the Board. Andrew has over 30 years in the resources industry and between February 2015 and December 2019, he was Chief Executive Officer of Centamin Plc which holds the Tier 1 Sukari Gold Mine. Chris is an experienced geologist, who specialises in project evaluation and project generation, with extensive experience in base metal and gold exploration in Africa, Europe, the Americas and Australia. Mr Daniel Saint Don has stepped down as a director and we thank him for his contribution.

Rest assured, we are leaving no stone unturned to make a success of our exploration efforts in Mali. We believe that the portfolio of projects we have acquired in recent months gives us a real opportunity to make a meaningful discovery in what is a premium location for large-scale gold deposits. Finally, the Board and I would like to thank all shareholders for your continued support and look forward to keeping you updated as we continue our progress in Mali.

Yours faithfully



Phil Hoskins
Managing Director

Directors' report

Basis of preparation

The Directors present their report, together with the financial statements, on the Consolidated Entity (referred to hereafter as the **Consolidated Entity** or **Company**) consisting of Marvel Gold Limited and the entities it controlled at the end of, or during, the year ended 30 June 2020. Marvel Gold Limited (**Marvel**) is a Company limited by shares that is incorporated and domiciled in Australia.

The attached financial statements for the year ended 30 June 2020 contains an independent auditor's report which includes a material uncertainty related to going concern. For further information, refer to note 26 of the financial statements together with the auditor's report.

Directors and Company Secretary

The following persons were Directors of Marvel (Directors) during the 2020 financial year and up to the date of this report:

Mr Stephen Dennis (Non-Executive Chairman)
Mr Phil Hoskins (Managing Director)
Mr Andrew Pardey (Non-Executive Director) (appointed 17 June 2020)
Mr Chris van Wijk (Executive Director) (appointed 17 June 2020)
Mr Daniel Saint Don (Non-Executive Director) (resigned 17 June 2020)
Mr Grant Davey (resigned 25 September 2019)

The Company Secretary is Mr Stuart McKenzie.
Directors were in office for the entire period unless otherwise stated.

Principal activities

During the period, the principal continuing activities of the Group related to the exploration and development of the Chilalo Graphite Project in Tanzania and gold exploration at the Tabakorole Project in Mali.

Dividends

During the period, no dividends were declared or paid.

Significant changes in the state of affairs

As a result of the economic uncertainty caused by COVID-19, CL V Investment Solutions LLC, an entity managed by Castlelake L.P. (**Financier**) decided not to proceed with the previously announced financing of the development of the Company's Chilalo Graphite Project. The economic impact of COVID-19 and the subsequent market fallout resulted in a sharp decline in the Company's market capitalisation, and as such any project finance solution under terms previously agreed was likely to result in unacceptable dilution for the Company's shareholders. The Company has committed to a process to either sell or refinance the Chilalo Graphite Project.

Events since the end of the financial year

Subsequent to year end, the Company:

- Completed the placement of 137,500,000 shares at a price of $0.02 per share for gross proceeds before costs of $2,750,000.
- Issued a further 115,011,555 shares at a price of $0.02 per share under a fully underwritten entitlement offer.
- On the 20 July 2020 the Company's shareholder voted to complete the Company's change in strategic direction including approving:
    - Changing the Company name from Graphex Mining Limited to Marvel Gold Limited (ASX: MVL).
    - Adopting the amended the terms of the Loan Note Subscription Agreement as detailed in note 10.
    - Adopting the transaction with Glomin Services Ltd (**Glomin**), a wholly-owned subsidiary of Capital DI Limited, a ~5% shareholder of the Company (**Capital DI**) under which the Company acquired Glomin's interest in a joint venture with Altus Strategies Plc to earn in to two Mali gold exploration projects, Tabakorole and Lakanfla. As consideration for the acquisition of Glomin's interest, the Company issued Capital DI 35,000,000 shares as reimbursement of costs incurred by Glomin under the existing joint venture.

Directors' report

- Signed a binding term sheet with Oklo Resources Limited (**Oklo**) to acquire an 80% interest in Oklo's three south Mali gold projects covering 675km^2 of highly prospective Birimian Greenstone terrain in South Mali.

Likely developments and expected results

As outlined above, subsequent to year end the Company has completed a change in strategic direction. The Company will be focused on its highly prospective gold exploration projects Lakanfla, Tabakorole, Kolodieba, Yanfolila and Sakkar in Mali in subsequent reporting periods.

Environmental regulation

The Group's exploration and development activities and those of its partners are subject to environmental regulations and guidelines applicable to the tenements on which such activities are carried out. Failure to meet environmental conditions attaching to the Group's exploration and mining tenements could lead to forfeiture of those tenements. The Group is committed to achieving a high standard of environmental performance. No environmental breaches have occurred or have been notified by any Government agencies during the period ended 30 June 2020 and up to the date of this report.

Review of operations

Results of operations

A summary of results for 2020 is as follows:

	2020 $	2019 $
Net loss after income tax	(7,486,841)	(8,049,751)
attributable to:		
Corporate and administration costs	(1,238,722)	(1,297,059)
Employee benefits	(1,176,126)	(931,214)
Exploration and evaluation expenditure	(3,461,198)	(4,231,952)
Business development and marketing	(698,332)	(1,383,857)
Share based payments	149,584	138,657

Chilalo Graphite Project

During the first half of the year, the Company's primary focus was on completion of a definitive feasibility study (**DFS**) to assess the development of the Chilalo Graphite Project (**Chilalo Project**).

In October 2018, the Company entered into financing agreements that included a term sheet setting out the proposed terms on which the financier and other market participants (subject to the satisfaction of agreed conditions) would provide up to US$40 million in equity and up to US$40 million from the issue of senior secured loan notes (**Senior Funding Package**). The DFS was a condition to the Senior Funding Package.

The DFS demonstrated that the Chilalo Project was a robust project based on a Probable Reserve of 9.2 million tonnes, underpinning an estimated 18-year mine life producing approximately 50,000tpa of high-value graphite products. Estimated key outcomes, including economics from value-added products are shown in the table below.

Directors' report

Physicals	Unit	Life of mine
Mine life	Years	18
Total plant feed	Mt	8.9
Annual plant feed	ktpa	500
Average head grade	TGC %	10.1%
Average graphite concentrate production[1]	ktpa	50
Steady state expandable graphite sales	ktpa	12
Steady state micronised graphite sales	ktpa	8
Project Financials	**Unit**	**Life of mine**
NPV_8 (Post-tax)	US$M	331
IRR (Post tax)	%	36%
Post-tax payback period	years	3.5
Pre-production capital cost (incl. 10% contingency and pre-strip)	US$M	87.4
Average annual EBITDA	US$M	74

1. Average graphite concentrate production includes graphite concentrate used as feedstock into both value-added products.

Financing development of the Project

As noted above in the section titled "Significant changes in the state of affairs", the Financier elected not to proceed with the Senior Funding Package for the development of the Chilalo Project.

The Financier's decision was reached prior to the completion of all due diligence and is therefore not a negative reflection on the quality of the Chilalo Project, the Tanzanian investment climate for mining projects or the coarse flake graphite market opportunity.

The Company is now undertaking a process for the sell-down or refinancing of the Chilalo Project (**Chilalo Process** as described below).

Amendment of financing agreements confine security to Chilalo Project entities

In order to provide the Company with the best opportunity to achieve an outcome that was in the best interests of shareholders, the Company and the Financier agreed on the terms and conditions of a restructure of the Loan Note Subscription Agreement (**LNSA**), under which approximately US$6.59M (including capitalised interest and fees) would be outstanding (**LNSA Debt**). The amendments to the terms of the LNSA were voted on and adopted by shareholders on 20 July 2020.

Among other things, the amended LNSA (**Amended LNSA**) confines the Financier's security to Chilalo Project related assets and removes the Financier's legal recourse to the Company. The removal of the Company from the amended security package is critical, as it enables the Company to pursue other opportunities and raise capital. The Amended LNSA also includes a two-year extension (to October 2022) for repayment of the LNSA Debt.

In exchange for removal of the Financier's legal recourse to the Company and extension of the repayment date for the LNSA Debt, the Company has, among other things:

- Paid an amendment fee of 7.5% of the LNSA Debt, which will be capitalised to the LNSA Debt;
- Paid a security release fee of US$100k cash to the Financier, which was paid out of proceeds from the capital raising;
- Issued 7.5 million Marvel shares to the Financier which are subject to voluntary escrow until 15 June 2021; and
- Agreed to complete a capital raising of A$1 million.

Directors' report

The Company is also undertaking and managing the Chilalo Process which is considering multiple transaction forms, including a refinancing for project development, offtake related financing, earn-in or joint venture arrangements and a sale (full or partial). The Company anticipates that the Chilalo Process will take some time to complete, particularly in light of current travel restrictions, and notes that the Company's wholly owned subsidiary Graphex UK No.1 Limited has until 29 October 2022 to repay the LNSA Debt.

- Should the Chilalo Process yield cash proceeds that exceed the LNSA Debt, Marvel will receive the excess proceeds; and
- If the Chilalo Process does not result in repayment of the LNSA Debt by 29 October 2022, the Financier will take control of the Chilalo Project, with no recourse to the Company.

Joint venture agreement for Mali gold projects

Subsequent to concluding the Amended LNSA, the Company executed a transaction with Glomin under which the Company acquired Glomin's interest in a Joint Venture (**Mali JV**) with Altus Strategies Plc to earn-in to two Mali gold exploration projects, Tabakorole and Lakanfla (**Mali Gold Projects**).

The key terms of the agreements with Glomin and Capital DI include:

- The issue of 35 million shares to Capital DI as consideration for reimbursement of approximately:
    - US$50,000 upfront Stage 1 JV payment made by Glomin; and
    - US$400,000 of Stage 1 JV expenditure incurred by Glomin.
- Under the Mali JV, Glomin was previously earning a 33% interest in the Mali Gold Projects in the first stage of the earn-in arrangement. By acquiring Glomin's interest in the Mali JV, Marvel can earn up to 80% in the Tabakorole and Lakanfla Gold Projects, subject to certain milestones including drilling, expenditure and completion of feasibility studies. Marvel could potentially move to 100% ownership if it is ultimately the sole funder of project construction.

Mali Gold Projects – Tabakorole

The Tabakorole Gold Project covers an area of 100 km^2 and is located in southern Mali, approximately 230km south of the capital city of Bamako. Historical results of diamond and Reverse Circulation (**RC**) drilling at Tabakorole include:

- **44m @ 3.3 g/t Au** from 24m in hole 05TKRC-18
- **60m @ 2.9 g/t Au** from 14m in hole 05FLRC-11
- **16m @ 9.3 g/t Au** from 80m in hole 05FLRC-51

In 2007, a mineral resource estimate was reported under Canadian National Instrument 43-101 (**2007 Tabakorole MRE**). The 2007 Tabakorole MRE totalled 18.4 Mt at 1.0g/t Au for 594,000 oz of contained gold, comprised of:

- Indicated Resources of 7.9Mt at 1.0g/t Au for 241,000 oz of contained gold; and
- Inferred Resources of 10.6Mt at 1.1g/t Au for 353,000 oz of contained gold.

The Company has significantly advanced its conceptual understanding of the Tabakorole Gold Project following detailed analysis of post-2007 exploration data that was not previously included in the 2007 Tabakorole MRE. This includes 11,736m of Reverse RC and 1,936m of diamond drilling that has been completed at Tabakorole since 2007, the results of which included:

- **18m at 6.0 g/t Au** from 12m
- **26m at 2.9 g/t Au** from 46m
- **24m at 2.5 g/t Au** from 48m

In addition to incorporating the results of previous drilling in an updated mineral resource estimate, there are multiple other opportunities to expand the resource including high-grade plunge extensions which remain open, strike extension to the south-east and the 600m north-west strike extension following-up recent aircore drilling which included intersections such as 6m at 6.2g/t gold. An updated Tabakorole MRE is expected to be completed in September 2020.

Directors' report

Mali Gold Projects – Lakanfla

The Lakanfla Gold Project is located in the Kenieba inlier of western Mali, adjacent to the northern section of the gold-rich Senegal Mali Shear Zone (SMSZ). The project lies 6km to the south-east of the tier 1 Sadiola gold mine (13.5Moz production historically) and 35km SE of the Yatela gold mine (4.5Moz production historically).

Lakanfla hosts a significant number of active and historic artisanal gold workings which are coincident with major geochemical and gravity anomalies. Significantly, there is evidence of ground collapse at surface, indicative of karst (or cave-like) voids at depth within carbonate rock units. This is geologically analogous to the 4.5moz Yatela deposit some 35km to the north-west and also the Sadiola FE3 and FE4 pits which are around 3km to the north-west of the license boundary.

Historical drilling has returned encouraging intersections including 26m at 5.1 g/t Au from 32m (hole 04KRC-02) and 18m at 4.31 g/t Au from 34m (hole 04KDD-06). In addition, several drillholes have intersected voids and unconsolidated sand at depths of up to 150m below surface. However, none of the priority gravity low targets have been systematically drill tested. Of the historical drilling that has been undertaken at Lakanfla, 35 holes coincide with the priority targets, however the majority of these holes were drilled no deeper than 75m vertical depth and the exploration target is expected to be below this stratigraphic level at the bedrock-weathering interface. In comparison with the nearby large scale Yatela deposit, which is a direct exploration analogue, mineralisation was encountered at depths up to 220m below surface and as such, the Company believes that a valid exploration target of this style exists at Lakanfla.

Subsequent to year end, the Company commenced a 3,500m stage 1 drill program at Lakanfla.

Shareholder approval

A general meeting of the Company's shareholders was held on 20 July 2020, at which, among other things, shareholders approved the Amended LNSA, the acquisition of the Mali Gold Projects and related transactions.

Mali Gold Projects – post year end acquisitions

In August, the Company signed a binding term sheet with Oklo Resources Limited (ASX: OKU) (**Oklo**) to acquire an 80% interest in Oklo's three South Mali gold projects (**South Mali Gold Projects**), covering 675km^2 of highly prospective Birimian Greenstone terrain in South Mali. The South Mali Gold Projects comprise:

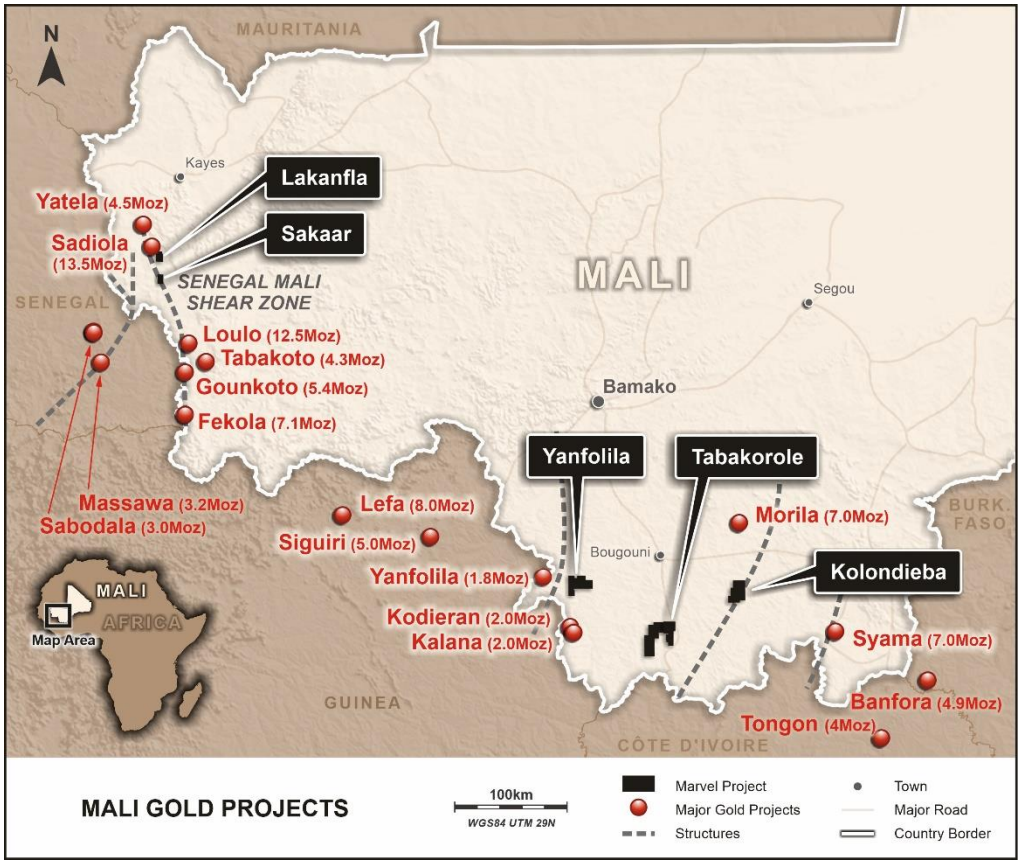
- Three adjoining tenements – Sirakourou, Solabougouda and Solabougouda Sud – with Sirakourou contiguous with the Company's Tabakorole Gold Project. The structure that hosts the Tabakorole MRE appears to continue to the west into the Sirakourou tenement;
- Yanfolila – a 200km2 advanced exploration project strategically located on splays off the Siekerole Shear Zone, with historical intercepts including:
    - 27m at 3.6 g/t gold; and
    - 16m at 2.0 g/t gold.
- Kolondieba – a 200km^2 project hosting numerous artisanal workings over 15km of strike, located on the Bannifin Shear Zone, one of the major controlling structures in southern Mali.

Most recently, the Company entered into a binding option agreement to acquire the Sakaar exploration licence, located 15km south of Lakanfla, on the northern extent of the prolific SMSZ, which is one of the fundamental structures controlling mineralisation in western Mali and contributing to mineralisation at the nearby Sadiola (13.5Moz) and Yatela (4.5Moz) deposits. The option agreement provides for Marvel to earn an 80% interest by sole funding exploration and a pre-feasibility study.

The location of the Tabakorole Project, the Lakanfla Project, the South Mali Gold Projects and the Sakaar Project are shown in Figure 1.

Directors' report

Figure 1: Location of Marvel's Gold Projects in Mali



Directors' report

Information on Directors

Mr Stephen Dennis – Non-Executive Chairman		
Experience and expertise	Stephen Dennis has been actively involved in the mining industry for over 30 years. He has held senior management positions at MIM Holdings Limited, Minara Resources Limited and Brambles Australia Limited. Mr Dennis was previously the Chief Executive Officer and Managing Director of CBH Resources Limited, the Australian subsidiary of Toho Zinc Co., Ltd of Japan.	
Other current directorships	Heron Resources Limited (Non-Executive Chairman) Rox Resources Limited (Non-Executive Chairman) EHR Resources Limited (Non-Executive Chairman) LeadFx Inc. (Non-Executive Chairman) Kalium Lakes Limited (Non-Executive Chairman)	
Former directorships in the last 3 years	CBH Resources Limited	
Special responsibilities	Chairman	
Interests in shares and options	Ordinary shares	4,047,598
	Unlisted Options	2,300,000

Mr Philip Hoskins – Managing Director		
Experience and expertise	Mr Hoskins commenced his career at a large international accounting firm and has since gained corporate experience with both Australian and international listed companies. He is a senior executive with over 15 years of broad finance and commercial experience across resources exploration, project development and production as well as large-scale property developments requiring debt and equity financing. He was the Chief Financial Officer of IMX Resources Limited from 2011 to 2014 and then Managing Director from 2014 to 2016. Mr Hoskins became the Managing Director of Graphex Mining Limited in June 2016 which became Marvel Gold Limited in June 2020.	
Other current directorships	Nil	
Former directorships in the last 3 years	N/A	
Special responsibilities	Nil	
Interests in shares and options	Ordinary shares	7,231,328
	Unlisted options	12,967,220

Mr Chris van Wijk – Executive Director (appointed 17 June 2020)		
Experience and expertise	Mr Van Wijk is an experienced geologist, who specialises in project evaluation and project generation. Chris brings to his role in Marvel a wealth of relevant experience including base metal and gold exploration in Africa, Europe, the Americas and Australia as well as joint venture management and project evaluation for major mining companies including BHP, IAMGOLD, First Quantum Minerals and Fortescue Metals Group. Chris has managed various successful exploration projects including the Scoping Study at Mont Nimba in Guinea for BHP Billiton and the resource drilling at First Quantum's Sentinel Project in Zambia.	
Other current directorships	Tanga Resources Limited	
Former directorships in the last 3 years	Indiana Resources Limited	
Special responsibilities	Nil	
Interests in shares and options	Ordinary shares	250,000
	Unlisted options	8,750,000

Directors' report

Andrew Pardey – Non-executive Director (appointed 17 June 2020)		
Experience and expertise	Mr. Pardey has over 30 years in the mining industry with experience in exploration, project development, construction and operations. Between February 2015 and December 2019, he was Chief Executive Officer of Centamin Plc which holds the Tier 1 Sukari Gold Mine. Andrew also served as General Manager Operations at Sukari before his previous appointment as Chief Operating Officer in May 2012. He was a major driving force in bringing Sukari into production, having joined during the mine's construction phase, and was instrumental in the successful transition of the operation through construction and into production. Andrew holds a BSc in Geology and has also previously held senior positions in Africa, Australia and other parts of the world including Guinor Gold Corporation and Ashanti Goldfields, now AngloGold Ashanti.	
Other current directorships	Nil	
Former directorships in the last 3 years	Centamin PLC	
Special responsibilities	Nil	
Interests in shares and options	Ordinary shares	2,000,000
	Unlisted options	4,500,000

Mr Daniel Saint Don – Non-Executive Director (resigned 17 June 2020)		
Experience and expertise	Daniel is based in Denver and has over 30 years of operational and technical experience in North America and internationally. This includes responsibilities in mine operations, engineering, contracting services, due diligence review, and project development. Daniel has demonstrated success in managing and directing projects encompassing all phases of the mining cycle and offers strong technical and practical skills. He is currently a non-executive director of North River Resources and has held senior roles with Golder Associates, Atna Resources Ltd, DMC Mining Services, Boart Longyear Company, Stillwater Mining Company, Inmet Mining, and Mosaic (formerly IMC).	
Other current directorships	North River Resources (Executive Director)	
Former directorships in the last 3 years	N/A	
Special responsibilities	Nil	
Interests in shares and options	Ordinary shares	Nil
	Unlisted options	Nil

Mr Grant Davey BSc – Non-Executive Director (resigned 25 September 2019)		
Experience and expertise	Grant Davey has over 20 years of senior management and operational experience in the construction and operation of gold, platinum and coal mines in Africa, Australia, South America and Russia. More recently, he has been involved in venture capital investments in several Canadian and Australian listed exploration and mining projects. Mr Davey was instrumental in acquiring the Honeymoon Uranium Project in South Australia and was the Managing Director of Cradle Resources Limited and founder and Managing Director of the Panda Hill niobium project in Tanzania.	
Other current directorships	Cradle Resources Limited (Executive Director) Superior Lake Resources Limited (Non-Executive Director) Lotus Resources Limited (Non-executive Director)	
Former directorships in the last 3 years	Boss Resources Limited (Non-Executive Director) Matador Mining Limited (Non-Executive Director)	
Special responsibilities	Nil	
Interests in shares and options	Ordinary shares	Nil
	Unlisted options	Nil

Directors' report

Information on Company Secretary

Stuart McKenzie LLB, Bec. (Hons.), AGIA, ACIS – Company secretary	
Experience and expertise	Mr McKenzie has over 30 years of experience in senior commercial roles. He was previously Company Secretary with Anvil Mining Limited for six years, prior to which he held senior positions with Ok Tedi Mining Limited, Ernst and Young and HSBC. Mr McKenzie is the current company secretary of Matador Mining Limited, Lotus Resources Limited, Superior Lake Resources Limited and Tanga Resources Limited.

Meetings of Directors

The number of meetings of the Company's Directors held during the year ended 30 June 2020 and the number of meetings attended by each Director is shown below:

	Meetings of Directors	
	Held	Attended
S Dennis	7	7
P Hoskins	7	7
D Saint Don	7	6
G Davey	2	2

As at the date of this report, there is no audit and risk committee or remuneration committee. The Board has determined that given the size and composition of the Board and the scale of the Company's activities, the functions of those committees ought to be performed by the Board. For further information, please see the Company's Corporate Governance Statement.

Remuneration report (audited)

(a) Key management personnel covered in this report

This Remuneration Report sets out information relating to the remuneration of the key management personnel (**KMP**) of the Group during the 2020 financial year. KMP are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company and Group, directly or indirectly. The KMP for the 2020 and 2019 financial year are as set out below.

Non-Executive and Executive Directors

Name	Position
S Dennis	Non-Executive Chairman
A Pardey	Non-Executive Director (appointed 17 June 2020)
P Hoskins	Managing Director
C van Wijk	Executive Director (appointed 17 June 2020)
D Saint Don	Non-Executive Director (resigned 17 June 2020)
G Davey	Non-Executive Director (resigned 25 September 2020)

Other KMP

Name	Position
S McKenzie	Commercial Manager and Company Secretary
C Knee	Chief Financial Officer

Directors' report

(b) Statutory key performance measures

The Company aims to align executive remuneration to the strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the group's financial performance over the last five years as required by the Corporations Act 2001. These are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMPs, as outlined in (c) below. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

Company performance metric	2020	2019	2018	2017	2016
Company share price (ASX:MVL)	$0.039	$0.260	$0.230	$0.385	$0.520
Company loss after tax	7,486,841	8,049,751	4,106,569	4,635,240	1,256,415
Company exploration expense	3,461,198	4,231,952	951,705	1,389,808	80,326

(c) Remuneration policy and link to performance

The Group's approach to remuneration is designed to attract and retain key executive talent, recognise the individual contributions of the Group's people, and motivate them to achieve strong performance aligned to the business strategy, whilst discouraging excessive risk taking.

In summary, the Group's approach to remuneration is to:

- Provide remuneration that is competitive and consistent with market standards;
- Align remuneration with the Company's overall strategy and shareholder interests;
- Reward superior performance within an objective and measurable incentive framework;
- Ensure that executives understand the link between individual reward and Group and individual performance;
- Be at a level acceptable to shareholders; and
- Apply sufficiently flexible remuneration practices that enable the Company to respond to changing circumstances.

Remuneration policy for the year ended 30 June 2020

All Executive KMP remuneration was comprised of the following:

- Fixed (base remuneration):
    - Contractual salary; and
    - Legislated superannuation guarantee (9.5% of gross salary for 2020).
- At risk component:
    - Short-term incentive (**STI**) – described further in the table below; and
    - Long-term incentive (**LTI**) – described further in the table below.

Element	Purpose	Performance metrics	Potential value
Base (fixed) remuneration	Provide a market competitive salary, including superannuation.	Nil	Within industry averages for the position's required skill and experience. Third party advice is sought periodically to ensure these are at or close to market median.
STI	Equity based reward for 12 month performance.	Corporate and project development objectives. Company strategy is set at the Board level and is used to determine the Managing Director's KPIs, which are then cascaded down to the other Executives.	Managing Director up to 40% of base remuneration, other KMP up to 20% of base remuneration.

Directors' report

Element	Purpose	Performance metrics	Potential value
LTI	Alignment with growth in long-term shareholder value over a three year period.	Achievement of key Company objectives, such as obtaining offtake and funding for the development of Chilalo, share price targets and achieving commercial graphite production.	Managing Director and other KMP up to 55% of base remuneration on an annual basis.

Balancing short-term and long-term performance

The Company considers performance-based remuneration to be a critical component of the overall remuneration framework, by providing a remuneration structure that rewards employees for achieving goals that are aligned to the Group's strategy and objectives. Both STIs and LTIs are issued under the Company's Option Plan (**Option Plan**).

Short-term incentives

The STI scheme operates to link performance and reward with key measurable financial and non-financial performance indicators to provide employees with clear and understandable targets that are aligned with the Group's objectives.

STIs are in the form of zero exercise price options which vest on completion of the one-year period. The number of options that vest is determined by assessment of individual performance against stated objectives to determine the percentage of objectives that has been achieved. This percentage is then applied to the options granted in order to determine the number of options that vest. The employee then has two years in which to exercise the options for nil consideration. Each vested STI option represents a right to be issued one Marvel share.

The Board sets the objectives of the Managing Director and these are then cascaded down through the organisation to ensure alignment of objectives. The STI performance objectives are communicated to KMPs at the beginning of the twelve-month performance period, with performance evaluations conducted following the end of the respective twelve month performance period. Subsequent to year-end, the Board reviewed performance against the following KPI measures, all of which related to the financing and development of the Chilalo Graphite Project:

- Drawdown of construction financing (80%); and
- Final investment decision and construction commencement (20%).

Having assessed performance, the Board determined that 0% of STIs vest for all KMP's for the 2020 financial year due the withdrawal by the financier and subsequent change in strategic direction to West African gold exploration.

Details of the KMPs' 2020 vested STIs are summarised in the table below. As the vesting date for the options is 1 July 2020, the options vested in the table below have not been reflected in notes e) and f).

KMP	Position	Total STI opportunity	Total STI ($) (full STI opportunity at grant date)	Percentage of total STI granted	STI vesting as a percentage of base package	Options to vest
P Hoskins	Managing Director	549,647	96,188	-	-	-
S McKenzie	Commercial Manager and Company Secretary	83,091	18,695	-	-	-
C Knee	Chief Financial Officer	77,294	17,391	-	-	-

Long-term incentives

The KMP remuneration structure also seeks to drive performance and align with shareholder interests through LTI equity-based remuneration. This involves the issue of zero exercise price options to KMP as LTIs. Subject to performance against agreed vesting criteria, LTIs vest three years from the grant date and expire five years from the grant date. Each vested LTI option represents a right to be issued one Marvel share. KMPs are assessed against applicable KPIs on the third anniversary from the date of issue.

Directors' report

The vesting criteria for LTIs granted relating to KPIs for the 1 July 2017 to 30 June 2020 performance period were:

- Completion of offtake and financing arrangements;
- Achieving commercial graphite production; and
- Share price performance.

Having assessed performance, the Board determined that no LTIs vest and that all LTIs granted for the period 1 July 2017 to 30 June 2020 performance period lapse, as shown in the table below.

KMP	Position	Total LTI opportunity	Total LTI ($) (full LTI opportunity at grant date)	Percentage of total LTI granted	STI vesting as a percentage of base package	Options to vest
P Hoskins	Managing Director	596,261	166,953	-	-	-
S McKenzie	Commercial Manager and Company Secretary	400,934	96,224	-	-	-
C Knee	Chief Financial Officer	349,532	83,888	-	-	-

Change in remuneration policy subsequent to year end

Following the change in strategic direction and acknowledging that the Company's performance is best assessed by share price performance (as compared to specific known measurable milestones as could be determined previously) the Company implemented a once off grant of options to KMP subsequent to year end relating to the 2021 financial year. This grant replaces the previously distinctive STI and LTIs and incentivises KMP's by aligning their interests with the interests with those of shareholders.

(d) Contractual arrangements with executive KMPs

Component	Managing Director	Executive Director – Exploration	Other KMP - Senior executives
Fixed remuneration	$320,000 plus superannuation. Effective 1 May 2020 this has been reduced to $260,000	$120,000 plus superannuation.	$200,000 to $215,000 plus superannuation. All other KMPs are subcontracted to two external companies to reduce Company costs
Contract duration	Ongoing contract	Services agreement	Ongoing contract
Notice by individual	3 months	3 months	3 months
Notice by Company	6 months	3 months	3 months
Change of control bonus payment	12 months fixed remuneration. In the event of a change of control, any unvested options will immediately vest on the date that the change of control event occurs, so as to permit the option holder to exercise such options.	6 months fixed remuneration. In the event of a change of control, any unvested options will immediately vest on the date that the change of control event occurs, so as to permit the option holder to exercise such options.	6 months fixed remuneration. In the event of a change of control, any unvested options will immediately vest on the date that the change of control event occurs, so as to permit the option holder to exercise such options.
Termination of employment (with or without cause)	Unvested STIs and LTIs to be automatically forfeited unless the Board determines in its discretion to vest some or all of the options.		

Directors' report

(e) Non-Executive Director arrangements

Non-Executive Directors receive an annual fee, paid quarterly. No compensation other than the annual fee (including superannuation) was paid to Directors in 2020. As the Company is not of sufficient size to have separate audit and remuneration committees, no additional fees are paid in connection with the provision of these services.

Non-Executive Director fees are reviewed annually by the Board taking into account comparable roles and market data. Directors' fees will next be reviewed in July 2021, with no changes made in the 2020 financial year. Annual Directors' Fees were approved by shareholders on 25 February 2016 with a maximum pool of $250,000 per year available for Non-Executive Directors. Fees for the financial year are as follows:

- Non-Executive Chairman – $60,000 plus superannuation
- Non-Executive Directors – $40,000 plus superannuation

All Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment which summarises the key terms and conditions of the Non-Executive Director's appointment.

(f) Remuneration expenses for key management personnel

The following table shows details of the remuneration expense recognised for the Group's KMP for the current financial period measured in accordance with the requirements of the accounting standards:

2020 financial year

Name	Fixed remuneration			Variable			Total
	Cash salary	Annual leave	Post-employment benefits	STI / LTI share based payment	Termination	Shared services recovery	
Non-executive directors							
S Dennis	60,000	-	5,700	-	-	-	65,700
A Pardey[3]	1,444	-	-	-	-	-	1,444
G Davey[1]	10,000	-	950	-	-	-	10,950
D Saint Don[2]	38,590	-	-	-	-	-	38,590
Executive directors							
P Hoskins[6]	310,000	20,551	21,003	(53,908)[4]	-	-	297,646
C van Wijk[3]	-	-	-	-	-	-	-
Other KMP							
S McKenzie	210,425	10,138	25,000	(43,496)[4]	-	(160,889)[5]	41,178
C Knee	200,000	4,777	19,000	(38,269)[4]	-	(151,779)[5]	33,729
Total executive and other KMP	**720,425**	**35,466**	**65,003**	**(135,673)**	**-**	**(312,668)**	**372,553**
Total NED remuneration	**110,034**	**-**	**6,650**	**-**	**-**	**-**	**116,684**
Total KMP remuneration expensed	**830,459**	**35,466**	**71,653**	**(135,673)**	**-**	**(312,668)**	**489,237**

[1] Mr Davey resigned 25 September 2019

[2] Mr Saint Don resigned 17 June 2020.

[3] Mr Andrew Pardey and Mr Chris van Wijk were appointed 17 June 2020.

[4] At the end of each reporting period the Company applies a probability to options with non-market based vesting criteria to reflect the likely number of options that will vest at the end of the vesting period taking into consideration all the vesting criteria. As outlined in the Directors Report, the Company has changed strategic direction which will likely result in all previous options lapsing unvested. This is a result of previous vesting criteria being based on progression and financing of the Chilalo Graphite Project. This results in a reversal of amounts previously expensed.

[5] The Group is a party to a shared services agreement with Matador Mining Limited (**Matador**) and Superior Lake Resources Limited (**Superior**) under which the Company, Matador and Superior shared certain costs. During the year, Mr McKenzie and Mr Knee spent a portion of their time working for Matador and Superior, with this time recharged by the Group on an at cost basis. This is included in the table above as the shared services recovery.

[6] Effective 1 May 2020 Mr Hoskins cash salary has been reduced to $260,000.

Directors' report

2019 financial year

Name	Fixed remuneration			Variable			Total
	Cash salary	Annual leave	Post-employment benefits	STI / LTI share based payment	Termination	Shared services recovery	
Non-executive directors							
S Dennis	60,000	-	5,700	-	-	-	65,700
G Davey	40,000	-	3,800	-	-	-	43,800
D Saint Don[1]	10,000	-	-	-	-	-	10,000
Executive directors							
P Hoskins	290,000	46,519	20,531	(68,165)[2]	-	-	288,885
Other KMP							
S McKenzie	188,525	26,035	25,000	(38,175)[2]	-	(97,685)	103,700
C Knee	180,000	(2,669)	17,100	(36,837)[2]	-	(81,650)	75,944
Total executive and other KMP	**658,525**	**69,885**	**62,631**	**(143,176)**	**-**	**(179,335)**	**468,530**
Total NED remuneration	**110,000**	**-**	**9,500**	**-**	**-**	**-**	**119,500**
Total KMP remuneration expensed	**768,525**	**69,885**	**72,131**	**(143,176)**	**-**	**(179,335)**	**588,030**

[1] Mr Saint Don was appointed 1 April 2019.

(g) Additional statutory information

Relative proportions of fixed and variable remuneration expense

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense above:

Name	2020		2019	
	Fixed remuneration	At risk remuneration - STI / LTI	Fixed remuneration	At risk remuneration - STI / LTI
Managing Director				
P Hoskins	100%	-	100%	-
Other KMP				
C van Wijk[1]	-	-	-	-
S McKenzie	100%	-	100%	-
C Knee	100%	-	100%	-

[1] Mr Chris van Wijk was appointed 17 June 2020.

The non-IFRS information in the table above has not been subject to audit

Performance based remuneration granted and forfeited

The remuneration of KMPs was approved by the Board in September 2019. The years assessment of performance against the stated objectives took place in July 2020 as outlined in note (b) above.

Directors' report

Options

The terms and conditions of each grant of options affecting remuneration in the current or a future reporting period are as follows:

Grant date	Vesting date	Expiry date	Exercise price	Value per option at grant date	Performance achieved	% Vested
27-Sept-17	01-Jul-20	01-Jul-22	Nil	$0.24	Post year end[1]	Nil
21-Nov-17	1-Jul-19	9-Jun-21	Nil	$0.28	0%	100%
21-Nov-17	1-Jul-20	1-Jul-22	Nil	$0.28	Post year end[1]	Nil
21-Nov-17	01-Jul-18	01-Jul-20	Nil	$0.28	Nil	Nil
26-Nov-18	01-Jul-19	01-Jul-21	Nil	$0.25	25%	100%
26-Nov-18	01-Jul-21	01-Jul-23	Nil	$0.12	To be determined[2]	Nil
13-Dec-18	13-Dec-18	01-Jul-20	Nil	$0.19	100%	100%
13-Dec-18	01-Jul-19	01-Jul-21	Nil	$0.19	25%	100%
13-Dec-18	01-Jul-21	01-Jul-23	Nil	$0.08	To be determined[2]	Nil
24-Jul-19	01-Jul-20	01-Jul-22	Nil	$0.23	Post year end[1]	Nil
24-Jul-19	01-Jul-22	01-Jul-24	Nil	$0.13	To be determined[2]	Nil
14-Nov-19	01-Jul-22	01-Jul-24	Nil	$0.06	To be determined[2]	Nil

[1] Subsequent to year end zero options have vested in line with the Board's assessment which is disclosed in note (b) above.

[2] To be determined after the options have passed the vesting date.

Directors' report

The number of options over ordinary shares in the Company provided as remuneration to KMP is shown below. The options carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Company.

Reconciliation of options 2020	Balance at the start of the period		Granted as compensation	Vested		Exercised	Forfeited		Balance at end of period	
Name and Grant dates	Vested	Unvested		Number	%		Number	%	Vested	Unvested
P Hoskins										
9-Jun-16	-	476,667	-	-	-	-	476,667	100	-	-
21-Nov-17	-	238,333	-	-	-	-	238,333	100	-	-
21-Nov-17	-	596,261	-	-	-	-	-	-	-	596,261
26-Nov-18	-	421,818	-	105,455	25	-	316,363	75	105,455	-
26-Nov-18	-	580,000	-	-	-	-	-	-	-	580,000
14-Nov-19	-	-	130,093	130,093	100	-	-	-	130,093	-
14-Nov-19	-	-	549,647	-	-	-	-	-	-	549,647
14-Nov-19	-	-	755,764	-	-	-	-	-	-	755,764
S McKenzie										
9-Jun-16	-	330,000	-	-	-	-	330,000	100	-	-
21-Nov-17	-	164,500	-	-	-	-	164,500	100	-	-
27-Sept-17	-	400,934	-	-	-	-	-	-	-	400,934
13-Dec-18	-	141,818	-	35,454	25	-	106,364	75	35,454	-
13-Dec-18	-	390,000	-	-	-	-	-	-	-	390,000
13-Dec-18	42,545	-	-	-	-	-	-	-	42,545	-
24-Jul-19	-	-	83,091	-	-	-	-	-	-	83,091
24-Jul-19	-	-	507,779	-	-	-	-	-	-	507,779
C Knee										
9-Jun-16	-	311,667	-	-	-	-	311,667	100	-	-
21-Nov-17		155,833	-	-	-	-	155,833	100	-	-
27-Sept-17	-	349,532	-	-	-	-	-	-	-	349,532
13-Dec-18	-	130,909	-	32,727	25	-	98,182	75	32,727	-
13-Dec-18	-	360,000	-	-	-	-	-	-	-	360,000
13-Dec-18	38,130	-	-	-	-	-	-	-	38,130	-
24-Jul-19	-	-	472,353	-	-	-	-	-	-	472,353
24-Jul-19	-	-	77,294	-	-	-	-	-	-	77,294

KMP not listed in the table above have zero options at year end.

Directors' report

Shareholdings

Name	Balance at start of period	Received during the period on the exercise of options	Other changes during the period	Balance at end of the period
S Dennis	773,799	-	-	773,799
G Davey	756,372	-	(756,372)[1]	-
D Saint Don[2]	-	-	-	-
P Hoskins	877,728	-	-	877,728
A Pardey[3]	-	-	-	-
C van Wijk[3]	-	-	-	-
S McKenzie	335,971	-	-	335,971
C Knee	226,822	-	-	226,822

[1] Mr Grant Davey resigned 25 September 2019.
[2] Mr Saint Don resigned 17 June 2020.
[3] Mr Andrew Pardey and Mr Chris van Wijk were appointed 17 June 2020.

None of the shares in the above table are held nominally by the Directors or by any of the other KMP.

Loans to KMP

There were no loans made to Directors or KMP.

Reliance on external remuneration consultants

In performing its role, the Board may seek advice from independent remuneration consultants where appropriate, to make recommendations as to the nature and amount of remuneration payable to KMPs. Remuneration consultants are engaged by, and report directly to the Board. In 2020, the Board did not engage an independent remuneration consultant to review the Company's remuneration structure. Having considered publicly available information on the remuneration practices of peer group companies and obtained advice from an independent human resources consultant, the Board believes that current remuneration arrangements are appropriate.

Shares under option

Unissued ordinary shares

Shares under option held by Directors and KMP that formed part of remuneration at the date of this report are as follows:

Date options granted	Expiry date	Exercise price	Number under option
27-Sep-17	01-Jul-22	Nil	750,466
21-Nov-17	1-Jul-22	Nil	596,261
26-Nov-18	01-Jul-23	Nil	580,000
26-Nov-18	01-Jul-21	Nil	105,455
13-Dec-18	01-Jul-21	Nil	68,181
13-Dec-18	01-Jul-23	Nil	750,000
13-Dec-18	01-Jul-20	Nil	80,675
24-Jul-19	01-Jul-22	Nil	160,385
24-Jul-19	01-Jul-24	Nil	980,132
14-Nov-19	01-Jul-20	Nil	130,093
14-Nov-19	01-Jul-22	Nil	549,647
14-Nov-19	01-Jul-24	Nil	755,764
20-Jul-20	20-Jul-23	$0.035[1]	16,050,000
20-Jul-20	20-Jul-23	$0.06[1]	8,025,000
20-Jul-20	20-Jul-23	$0.10[1]	8,025,000

[1] Issued subsequent to year end.

Directors' report

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Voting of shareholders at last year's Annual General Meeting

The Group received 78.03% votes for its remuneration report for the 2019 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

END OF REMUNERATION REPORT (audited)

Directors' report

Insurance of officers and indemnities

Marvel's constitution allows the Company to indemnify each Director or officer of the Company, to the extent permitted by law, against liability incurred in or arising out of the conduct of the business of the Company or the discharge of the duties of the Directors or officers.

The Group has granted indemnities under deeds of indemnity with its current Directors and officers. In conformity with the constitution, each deed of indemnity indemnifies the relevant Director or officer to the full extent permitted by law. Where applicable, each deed of indemnity indemnifies the relevant Director, officer or employee to the fullest extent permitted by law for liabilities incurred whilst acting as a director, officer or employee of the Company, any of its related bodies corporate and any outside entity, where such an office is held at the request of the Company.

The Group has a policy that it will, as a general rule, support and hold harmless an employee who, while acting in good faith, incurs personal liability to others as a result of working for the Group.

No indemnity has been granted to an auditor of the Group in their capacity as auditors of the Group.

During the period, the Group paid insurance premiums (inclusive of fees and charges) in respect of directors' and officers' liability insurance of $127,650 (2019: $139,150) (ex goods and services tax (**GST**)).

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Proceedings on behalf of the Company

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

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

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for audit and non-audit services provided during the period are set out in note 23.

The Board has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

Directors' report

Auditor independence

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 27.

Annual Statement of Ore Reserves and Mineral Resources

Chilalo Project: Ore Reserve and Mineral Resource Estimate

Domain	Classification	Zone	Million Tonnes (Mt)	TGC (%)	Contained Graphite (Kt)
High-Grade	Probable Reserve	Main	5.3	10.9	576
Total Ore Reserve	**Probable Reserve**	**Main**	**5.3**	**10.9**	**576**
High-Grade	Indicated	Main	9.2	10.6	982
		North East	1.0	9.5	100
		All	**10.3**	**10.5**	**1,082**
	Inferred	Main	7.4	9.5	704
		North East	2.3	8.8	205
		All	**9.8**	**9.3**	**908**
Total High-Grade	**Indicated + Inferred**	**All**	**20.1**	**9.9**	**1,991**
Low-Grade	Inferred	Main	37.8	3.4	1,282
		North East	9.5	4.1	394
		All	**47.3**	**3.5**	**1,677**
High-Grade + Low-Grade	**Indicated + Inferred**	**All**	**67.3**	**5.4**	**3,667**

Mineral Resources are inclusive of Ore Reserves. The Mineral Resource was estimated within constraining wireframe solids using a core high-grade domain defined above a nominal 5% TGC cut-off within a surrounding low-grade zone defined above a nominal 2% TGC cut-off. The resource is quoted from all classified blocks above a lower cut-off of 2% TGC within these wireframe solids. Differences may occur due to rounding.

Tabakorole Gold Project: Mineral Resource Estimate

	Indicated Resources			Inferred Resources			Total		
	Tonnes (Mt)	Au (g/t)	K Oz (Au)	Tonnes (Mt)	Au (g/t)	K Oz (Au)	Tonnes (Mt)	Au (g/t)	K Oz (Au)
Oxide	1.0	1.0	34	1.0	1.1	35	2	1.1	69
Sulphide	6.8	0.9	207	9.6	1.0	318	16	1.0	525
Total	**7.9**	**1.0**	**241**	**10.6**	**1.1**	**353**	**18.4**	**1.0**	**594**
Note: Figures have been rounded									

The 2007 Tabakorole MRE was announced on 17 June 2020. The 2007 Tabakorole MRE was not reported in accordance with the 2012 JORC Code; a competent person has not done sufficient work to classify the Tabakorole MRE as mineral resources in accordance with the 2012 JORC Code; and it is uncertain that following evaluation and/or further exploration work that the Tabakorole MRE will be able to be reported as mineral resources in accordance with the 2012 JORC Code. Marvel confirms that it is not in possession of any new information or data relating to the 2007 Tabakorole MRE that materially impacts on the reliability of the 2007 Tabakorole MRE or Marvel's ability to verify the 2007 Tabakorole MRE as mineral resources in accordance with Appendix 5A of the 2012 JORC Code and the supporting information provided in the announcement of 17 June 2020 continues to apply and has not materially changed.

Directors' report

Competent persons' statements

Mineral Resources

Information in this annual report that relates to in situ Mineral Resources for Chilalo is based on information compiled by Mr. Grant Louw under the direction and supervision of Dr Andrew Scogings, who are both full-time employees of CSA Global Pty Ltd. Dr Scogings takes overall responsibility for the report. Dr Scogings is a Member of both the Australian Institute of Geoscientists and Australasian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (**JORC Code 2012**). Dr Scogings consents to the inclusion of such information in this annual report in the form and context in which it appears. Marvel confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 28 August 2019 and that all material assumptions and technical parameters underpinning the estimates in the announcement of 28 August 2019 continue to apply and have not materially changed.

Ore Reserves

The information in this annual report that relates to the Ore Reserve at the Chilalo Project is based on information compiled by Mr Karl van Olden, a Competent Person, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Karl van Olden is employed by CSA Global Pty Ltd, an independent consulting company. Mr van Olden has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code 2012. Mr van Olden consents to the inclusion in this annual report of the matters based on his information in the form and context in which it appears. Marvel confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 20 September 2018 and that all material assumptions and technical parameters underpinning the estimates in the announcement of 20 September 2018 continue to apply and have not materially changed.

Ore Reserves and Mineral Resources Governance

Marvel reviews its Mineral Resource and Ore Reserve estimates on an annual basis. The Annual Statement of Mineral Resources and Ore Reserves is prepared in accordance with the JORC Code 2012 and the ASX Listing Rules.

Competent Persons named by the Company are members of the Australian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists and qualify as Competent Persons as defined under the JORC Code 2012.

The Company engages external consultants and Competent Persons to prepare and calculate estimates of its Mineral Resources and Ore Reserves. These estimates and underlying assumptions are reviewed by the Directors and management for reasonableness and accuracy. The results of the Mineral Resource and Ore Reserve estimates are then reported in accordance with the JORC Code 2012 and the ASX Listing Rules. Where material changes occur to a project during the period, including the project's size, title, exploration results or other technical information, previous resource estimates and market disclosures are reviewed for completeness. The Company reviews its Mineral Resources and Ore Reserves as at 30 June each year and where a material change has occurred in the assumptions or data used in previously reported Mineral Resources and Ore Reserves, a revised estimate will be prepared as part of the annual review process.

This report is made in accordance with a resolution of the Directors.



Stephen Dennis
Chairman of the Board
PERTH
On the 28th day of September 2020

Corporate governance statement

Marvel and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Marvel has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

The 2020 corporate governance statement is dated as at 30 June 2020 and reflects the corporate governance practices in place throughout the 2020 financial year. The 2020 corporate governance statement was approved by the Board on 28 September 2020. A description of the Group's current corporate governance practices is set out in the Group's corporate governance statement which can be viewed on the Company's website at www.marvel gold.com.au/corporate-governance/.

Auditor's Independence Declaration

As lead auditor for the audit of Marvel Gold Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been:

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

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

This declaration is in respect of Marvel Gold Limited and the entities it controlled during the period.



Craig Heatley
Partner
PricewaterhouseCoopers

Perth
28 September 2020

Consolidated statement of profit or loss and other comprehensive income

for the period ended 30 June 2020

	Notes	30 June 2020	30 June 2019
		$	$
Continuing operations			
Research and development rebate		436,948	201,735
Other income	1(a)	450,103	263,364
Exploration and evaluation expenses		(3,461,198)	(4,231,952)
Corporate and administration expenses		(1,238,772)	(1,297,059)
Business development and marketing		(698,332)	(1,383,857)
Finance costs	1(c)	(1,949,048)	(513,187)
Employee benefits	1(b)	(1,176,126)	(1,190,848)
Share based payments	12	149,584	138,657
Other expenses		-	(36,605)
Loss before income tax		**(7,486,841)**	**(8,049,751)**
Income tax benefit	3	-	-
Loss for the period		**(7,486,841)**	**(8,049,751)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		17,300	(68,010)
Total comprehensive loss for the period		**(7,469,541)**	**(8,117,761)**
Net loss is attributable to:			
Owners of Marvel Gold Limited		(7,486,841)	(8,049,751)
Total comprehensive loss is attributable to:			
Owners of Marvel Gold Limited		(7,469,541)	(8,117,761)
Earnings per share attributable to owners of the Company		**$**	**$**
Basis EPS	24	(0.07)	(0.10)
Diluted EPS	24	(0.07)	(0.10)

The above consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements.

Consolidated balance sheet

as at 30 June 2020

	Notes	30 June 2020 $	30 June 2019 $
ASSETS			
Current assets			
Cash and cash equivalents	4	304,633	1,264,791
Trade and other receivables	5	142,900	318,465
Total current assets		**447,533**	**1,583,256**
Non-current assets			
Property, plant and equipment	6	69,072	112,880
Exploration and evaluation	7	5,000,000	5,000,000
Total non-current assets		**5,069,072**	**5,112,880**
Total assets		**5,516,605**	**6,696,136**
LIABILITIES			
Current liabilities			
Trade and other payables	8	(437,200)	(449,871)
Shareholder funds received in advance		(35,000)	-
Provisions	9	(198,328)	(171,377)
Loans and borrowings	10	(8,748,377)	-
Total current liabilities		**(9,418,905)**	**(621,248)**
Non-current liabilities			
Provisions	9	(73,641)	(72,018)
Loans and borrowings	10	-	(5,799,825)
Total non-current liabilities		**(73,641)**	**(5,871,843)**
Total liabilities		**(9,492,546)**	**(6,493,091)**
Net assets / (liabilities)		**(3,975,941)**	**203,045**
EQUITY			
Share capital	11	20,272,214	16,832,075
Reserves	12	1,316,781	1,449,065
Retained earnings	13	(25,564,936)	(18,078,095)
Total equity		**(3,975,941)**	**203,045**

The above consolidated balance sheet is to be read in conjunction with the notes to the financial statements.

Consolidated statement of changes in equity

for the period ended 30 June 2020

	Contributed equity	Foreign currency translation reserve	Share based payment reserve	Retained earnings / (Accumulated losses)	Total equity
	$	$	$	$	$
Balance at 30 June 2018	**15,111,194**	**26,986**	**1,628,745**	**(10,028,344)**	**6,738,581**
Total comprehensive loss for the period:					
Loss for the period	-	-	-	(8,049,751)	(8,049,751)
Foreign exchange translation differences	-	(68,010)	-	-	(68,010)
Total comprehensive loss for the period	-	(68,010)	-	(8,049,751)	(8,117,761)
Transactions with owners in their capacity as owners:					
Issue of shares net of transaction costs	1,720,881	-	-	-	1,720,881
Employee share schemes - value of employee services	-	-	(138,657)	-	(138,657)
Balance at 30 June 2019	**16,832,075**	**(41,024)**	**1,490,089**	**(18,078,095)**	**203,045**
Total comprehensive loss for the period:					
Loss for the period	-	-	-	(7,486,841)	(7,486,841)
Foreign exchange translation differences	-	17,300	-	-	17,300
Total comprehensive loss for the period	-	17,300	-	(7,486,841)	(7,469,541)
Transactions with owners in their capacity as owners:					
Issue of shares net of transaction costs	3,440,139	-	-	-	3,440,139
Employee share schemes - value of employee services	-	-	(149,584)	-	(149,584)
Balance at 30 June 2020	**20,272,214**	**(23,724)**	**1,340,505**	**(25,564,936)**	**(3,975,941)**

The above consolidated statement of changes in equity should be read in conjunction with the notes to the financial statements.

Consolidated statement of cash flows

for the period ended 30 June 2020

	Notes	30 June 2020 $	30 June 2019 $
Cash flows from operating activities			
Payments to suppliers and employees		(1,567,498)	(2,207,252)
Payments for business development and marketing		(553,296)	(1,370,280)
Payment of exploration expenditure		(3,664,566)	(2,476,773)
Other income received		1,702	3,731
Receipts from research and development rebate		436,948	201,735
Net cash (outflow) from operating activities	14	**(5,346,710)**	**(5,848,839)**
Cash flows from investing activities			
Payment for property, plant and equipment		(15,495)	(36,464)
Net cash (outflow) from investing activities		**(15,495)**	**(36,464)**
Cash flows from financing activities			
Proceeds from the issue of interim loan notes		1,358,576	5,192,664
Proceeds from the issue of ordinary shares		3,452,409	104,567
Shareholder funds received in advance		35,000	-
Share issue transaction costs		(407,070)	(21,997)
Net cash flow from financing activities		**4,438,915**	**5,275,234**
Net decrease in cash and cash equivalents		**(923,290)**	**(610,069)**
Cash and cash equivalents at the beginning of the period		1,264,791	1,838,886
Effects of exchange rate changes on cash and cash equivalents		(36,868)	35,974
Cash and cash equivalents at the end of the period	4	**304,633**	**1,264,791**

The above consolidated statement of cash flows is to be read in conjunction with the notes to the financial statements.

Notes to the financial statements

1. Income and expenses

(a) Other income

	2020	2019
	$	$
Recharges	448,401	259,634
Other income	1,702	3,730
	450,103	**263,364**

The Group is a party to a shared services agreement with Matador Mining Limited (**Matador**) and Superior Lake Resources Limited (**Superior**) under which the Company, Matador and Superior shared certain costs. During the year, some Company employees spent a portion of their time working for Matador and Superior, with this time recharged by the Group on an at cost basis.

(b) Employee benefits

	2020	2019
	$	$
Salaries	1,205,741	1,248,393
Salaries – Technical and exploration[1]	(145,589)	(227,542)
Superannuation	87,559	86,821
Changes in leave provisions	28,415	83,176
	1,176,126	**1,190,848**

[1] Technical and exploration salaries are classified as exploration and evaluation expenditure.

Employee expenses above include all employee expenses of all departments in the Group. On the face of the Consolidated statement of profit or loss and other comprehensive income, technical and exploration staff wages of $145,589 (2019: $227,542) are included as exploration expenses. Employee benefits expense on the face of the statements therefore includes only corporate and administrative staff.

(c) Finance costs

	2020	2019
	$	$
Interest expense	1,882,720	513,187
Other finance costs	66,328	-
	1,949,048	**513,187**

Other finance costs include a fee payable to Citi Bank Hong Kong for the provision of agency and trustee services.

2. Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision makers, being the Directors. The Group's reportable segments in accordance with AASB 8 are as follows:

- Exploration – exploration carried out in Tanzania; and
- Corporate – management of corporate affairs.

Notes to the financial statements

2. Segment information (continued)

The segments have applied the same accounting policies as applied to the Group and disclosed in note 26 of these financial statements.

	30-Jun-20			30-Jun-19		
	Exploration Tanzania $	Corporate $	Total $	Exploration Tanzania $	Corporate $	Total $
Other income	-	450,103	450,103	-	263,364	263,364
Research and development rebate	-	436,948	436,948	-	201,735	201,735
Total income	**-**	**887,051**	**887,051**	**-**	**465,099**	**465,099**
Depreciation and amortisation	(25,788)	(29,431)	(55,219)	(23,880)	(26,039)	(49,919)
Share based payments	-	149,583	149,583	-	138,657	138,657
Exploration expenses	(3,461,198)	-	(3,461,198)	(4,231,952)	-	(4,231,952)
Other expenses	(2,377,165)	(2,629,894)	(5,007,059)	(819,560)	(3,552,076)	(4,371,636)
Segment loss	**(5,864,151)**	**(1,622,690)**	**(7,486,841)**	**(5,075,392)**	**(2,974,359)**	**(8,049,751)**
Segment assets	**5,097,768**	**418,837**	**5,516,605**	**5,309,334**	**1,386,802**	**6,696,136**
Segment liabilities	**(27,466)**	**(9,465,080)**	**(9,492,546)**	**(26,191)**	**(6,466,900)**	**(6,493,091)**
Additions to PP&E	**-**	**10,299**	**10,299**	**-**	**27,355**	**27,355**

3. Income tax expense

The Company has total carried forward tax losses of $14,485,258 (2019: $9,926,702) available for offset against future assessable income of the Company. The net deferred tax asset attributable to the residual tax losses of $3,983,446 (2019: $2,729,843) has not been brought to account until convincing evidence exists that assessable income will be earned of a nature and amount to enable such benefit to be realised.

4. Cash and cash equivalents

	2020 $	2019 $
Cash at bank	304,633	1,264,791
	304,633	**1,264,791**

Refer to note 15 for the Group's exposure to interest rate and credit risk.

5. Trade and other receivables

	2020 $	2019 $
Accounts receivable	94,803	118,038
Other receivables	30,917	31,863
Prepayments	17,180	150,283
Security bond	-	18,281
	142,900	**318,465**

Notes to the financial statements

6. Property, plant and equipment

Non-current	Plant and equipment $	Furniture and fittings $	Total $
At 30 June 2020			
Cost or fair value	125,157	120,855	246,012
Accumulated depreciation	(101,302)	(75,638)	(176,940)
Net book amount	**23,855**	**45,217**	**69,072**
Period ended 30 June 2020			
Opening net book amount	48,139	64,741	112,880
Additions	-	10,299	10,299
Disposal	-	(22,149)	(22,149)
Foreign exchange movement	3,325	19,936	23,261
Depreciation charge	(27,609)	(27,610)	(55,219)
Closing net book amount	**23,855**	**45,217**	**69,072**

Non-current	Plant and equipment $	Furniture and fittings $	Total $
At 30 June 2019			
Cost or fair value	122,791	134,918	257,709
Accumulated depreciation	(74,652)	(70,177)	(144,829)
Net book amount	**48,139**	**64,741**	**112,880**
Period ended 30 June 2019			
Opening net book amount	66,236	60,099	126,335
Additions	2,536	24,819	27,355
Foreign exchange movement	7,094	2,015	9,109
Depreciation charge	(27,727)	(22,192)	(49,919)
Closing net book amount	**48,139**	**64,741**	**112,880**

7. Exploration and evaluation expenditure

	2020 $	2019 $
(a) Reconciliation of exploration and evaluation expenditure		
Exploration and evaluation acquisition costs	5,000,000	5,000,000
Carrying amount at the end of the period	**5,000,000**	**5,000,000**

8. Trade and other payables

	2020 $	2019 $
Creditors	306,099	188,871
Accruals	30,001	216,314
Other payables	101,100	44,686
	437,200	**449,871**

Notes to the financial statements

9. Provisions

	2020 $	2019 $
Current		
Provision for annual leave	198,328	171,377
	198,328	**171,377**
Non-current		
Provision for long service leave	73,641	72,018
	73,641	**72,018**

10. Loans and borrowings

	2020 $	2019 $
Current		
Interim Loan Notes drawn	6,551,240	-
Effective interest capitalised	2,001,106	-
Foreign currency movement	196,031	-
	8,748,377	
Non- current		
Interim Loan Notes drawn	-	5,192,664
Effective interest capitalised	-	513,187
Foreign currency movement	-	93,974
	-	**5,799,825**

Net debt reconciliation

	Loans and Borrowings $	Cash $	Net debt $
1 July 2018	**-**	**1,838,886**	**1,838,886**
Cashflows	(5,192,664)	(610,069)	(5,802,733)
Capitalised fees and interest	(513,187)	-	(513,187)
Foreign exchange differences	(93,974)	35,974	(58,000)
30 June 2019	**(5,799,825)**	**1,264,791**	**(4,535,034)**
Cashflows	(1,358,576)	(923,290)	(2,281,866)
Capitalised fees and interest	(1,487,919)[1]	-	(1,487,919)
Foreign exchange differences	(102,057)	(36,868)	(138,925)
Closing	**(8,748,377)**	**304,633**	**(8,443,744)**

[1] Interest includes an amount of $394,000 that was reclassified from a liability to equity in the current period.

On 29 October 2018, the Company signed agreements for financing the development of its Chilalo Graphite Project with funds managed by global private investment firm Castlelake, L.P (**Castlelake**), which provided for a funding package of up to US$80 million subject to satisfaction of agreed conditions.

Under the funding package, the Company entered into a Loan Note Subscription Agreement (**LNSA**) to raise US$5 million from the issue of secured Interim Loan Notes, which became immediately available. At the end of the year, the Company has fully drawn the US$5 million Interim Loan Notes. Other material terms of the Interim Loan Notes agreed in 2018 are:

- Loan Notes expire 29 October 2020 (extended to 29 October 2020 subsequent to year end);
- Structuring fee 2% and an issuer discount of 7.5%;
- Interest rate of 15% on drawn funds and 4% commitment fee on undrawn funds;
- All fees other than the issuer discount are capitalised into the balance of the interim loan notes;
- Capital raising by the Company restricted to $5 million unless for the purpose of debt repayment; and
- Security over the Chilalo Project.

Notes to the financial statements

10. Loans and borrowings (continued)

On satisfactory completion of conditions precedent, the US$5 million facility was to be rolled into a senior funding package in accordance with an agreed term sheet that sets out the proposed terms on which the Castlelake Funds and other market participants (subject to the satisfaction of agreed conditions) provide up to US$40 million in equity and up to US$40 million from the issue of senior secured loan notes.

On 17 June 2020 the Company announced Castlelake had decided not to proceed with the Senior Funding Package. As a result, the Company agreed with Castlelake to restructure the debt which included:

- Confining the Financier's security to Chilalo Project related assets and removing the Castlelake's legal recourse to the Company;
- Paying an amendment fee of 7.5% of the debt capitalised into the balance of the loan notes;
- Paying a security release fee of US$100,000;
- Issuing 7.5 million shares of the Company;
- Extending the due date of the debt by two years to October 2022;
- Undertaking steps to either sell the Chilalo Project or refinance the Castlelake debt amount;
- Should the Chilalo sales process yield cash proceeds that exceed the LNSA debt, the Company will received the excess proceeds; and
- If the Chilalo process does not result in repayment of the LNSA by 29 October 2022, the Castlelake will take control of the Chilalo Project with no further recourse to the Company.

Subsequent to year end on the 20 July 2020, the Company's shareholders voted to approve the above amended terms which formalised the amended agreement.

11. Share capital

	2020 Shares	2020 $	2019 Shares	2019 $
(a) Issued and paid up capital				
Ordinary fully paid shares	**115,011,555**	**20,272,214**	**88,145,208**	**16,832,075**
(b) Movement in ordinary shares				
Opening balance	88,145,208	16,832,075	78,714,794	15,111,194
Issue of equities				
Conversion of loyalty options	-	-	138,748	34,687
Exercise of employee options	-	-	1,369,737	-
Shares issued as consideration for drilling	-	-	5,956,357	1,638,312
Shares issued to interim loan note holders	312,500	457,300[1]	1,645,000	-
Issue of shares	26,553,847	3,389,909	320,572	69,880
Less: Transaction costs arising on share issues	-	(407,070)	-	(21,997)
Movement for the period	26,866,347	3,440,139	9,430,414	1,720,882
Closing balance	**115,011,555**	**20,272,214**	**88,145,208**	**16,832,075**

[1] Of this amount $394,000 was reclassified from a liability to equity in the current period.

(c) Ordinary Shares

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

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

Notes to the financial statements

12. Reserves

The following table shows a breakdown of the balance sheet line item 'reserves' and the movements in these reserves during the period. A description of the nature and purpose of each reserve is provided below.

	Share based payments	Foreign currency translation	Total reserves
	$	$	$
At 30 June 2018	**1,628,745**	**26,986**	**1,655,731**
Translation of foreign subsidiaries	-	(68,010)	(68,010)
Other comprehensive income	-	(68,010)	(68,010)
Transactions with owners in their capacity as owners			
Employee share based payments expense	(138,657)	-	(138,657)
At 30 June 2019	**1,490,089**	**(41,024)**	**1,449,065**
Translation of foreign subsidiaries	-	17,300	17,300
Other comprehensive income	-	17,300	17,300
Transactions with owners in their capacity as owners			
Employee share based payments expense	(149,584)	-	(149,584)
At 30 June 2020	**1,340,505**	**(23,724)**	**1,316,781**

(a) Nature and purpose of reserves

(i) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations as well as from the translation of the Company's net investment in a foreign subsidiary.

(ii) Share based payment reserve

The share-based remuneration reserve is used to recognise the fair value of options issued.

13. Retained earnings

	2020	2019
	$	$
Opening balance	(18,078,095)	(10,028,344)
Net loss for the period	(7,486,841)	(8,049,751)
Closing balance	**(25,564,936)**	**(18,078,095)**

Notes to the financial statements

14. Cash flow information

	2020 $	2019 $
(a) Reconciliation of operating loss after income tax to the net cash flows from operating activities:		
Loss for the period	(7,486,841)	(8,049,751)
Adjustments for:		
Depreciation	55,219	49,919
Non-cash employee benefits expense - share based payments	(149,583)	(138,657)
Non-cash shares issued as consideration for drilling	-	1,638,312
Non-cash costs of interim loan notes capitalised	1,920,140	513,187
Net exchange differences	122,889	(10,009)
Changes in operating assets and liabilities:		
Changes in trade and other receivables	175,565	(154,129)
Changes in provisions	28,573	83,550
Changes in trade and other payables	(12,672)	218,739
Net cash (outflow) from operating activities	**(5,346,710)**	**(5,848,839)**

(b) Non-cash investing and financing activities

As part of the financing arrangement outlined in note 10 the Company issued 312,500 shares to the Interim Loan Note holders as part of the terms of the financing transaction.

15. Financial risk management

The Company and Group's activities expose it to a variety of financial risks, including market, foreign currency, credit and liquidity risk. For the Group, market risk includes:

- Interest rate risk; and
- Foreign exchange risk.

Financial risk management is carried out by the Group's Managing Director and Chief Financial Officer, in close co-operation with the Board. The Group obtains independent external advice as required to assist it in understanding and managing its exposures and risks.

The Group held the following financial instruments at reporting date:

	Note	2020 $	2019 $
Financial Assets			
Cash and cash equivalents	4	304,633	1,264,791
Trade and other receivables	5	142,900	318,465
Total Financial Assets		**447,533**	**1,583,256**
Financial Liabilities			
Trade and other payables	8	(437,200)	(449,871)
Loans and borrowings	10	(8,748,377)	(5,799,825)
Total Financial Liabilities		**(9,185,577)**	**(6,249,696)**

(a) Market risk

(i) Interest rate risk

The Group and the Company are exposed to interest rate volatility on deposits and loans. Deposits and loans at variable rates expose the Group and the Company to cash flow interest rate risk. Deposits and loans at fixed rates expose the Group to fair value interest rate risk.

Notes to the financial statements

15. Financial risk management (continued)

	Effective Average Interest Rate (%)	Variable Interest Rate $	Fixed Interest Rate $	Non-Interest Bearing $	Total $
2020 (consolidated)					
Financial Assets					
Cash and cash equivalents	0.19%	230,376	-	74,257	304,633
Trade and other receivables	0.00%	-	-	142,900	142,900
		230,376	**-**	**217,157**	**447,533**
Financial Liability					
Trade and other payables	0.00%	**-**	**-**	(437,200)	(437,200)
Loans and borrowings	30.00%	-	(8,748,377)	-	(8,748,377)
		-	**(8,748,377)**	**(437,200)**	**(9,185,577)**
2019 (consolidated)					
Financial Assets					
Cash and cash equivalents	0.01%	22,385	-	1,242,406	1,264,791
Security bonds		-	-	18,281	18,281
		22,385	**-**	**1,260,686**	**1,283,071**
Financial Liability					
Loans and borrowings	29.20%	**-**	**(5,799,825)**	**-**	**(5,799,825)**

Sensitivity Analysis

The following tables summarise the sensitivity of the Group's financial assets to interest rate risk. Had the relevant variables, as illustrated in the tables, moved with all other variables held constant, post-tax loss and equity would have been affected as shown below.

		Interest Rate Risk -100 basis points (-1%)		Interest Rate Risk +100 basis points (+1%)	
	Carrying Amount $	Net Profit / (Loss) $	Equity $	Net Profit / (Loss) $	Equity $
2020 (consolidated)					
Financial Assets					
Cash and cash equivalents	230,376	(2,304)	(2,304)	2,304	2,304
	230,376	**(2,304)**	**(2,304)**	**2,304**	**2,304**
2019 (consolidated)					
Financial Assets					
Cash and cash equivalents	22,385	(224)	(224)	224	224
	22,385	**(224)**	**(224)**	**224**	**224**

(ii) Foreign exchange risk

The Group is exposed to fluctuations in foreign currencies arising from costs incurred in currencies other than Australian dollars, which is the Group's presentation currency.

The Group operates internationally and is primarily exposed to foreign exchange risk arising from currency exposures to the United States dollar and Tanzanian shilling.

The Group has not formalised a foreign currency risk management policy and it holds only limited amounts of cash in foreign currencies at any point in time. The Group monitors foreign currency expenditure in light of exchange rate movements.

Notes to the financial statements

15. Financial risk management (continued)

The Groups exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars was as follows.

Foreign currency balances	2020		2019	
	US Dollar	Tanzanian Shilling	US Dollar	Tanzanian Shilling
Cash at bank	13,749	1,356	1,077,411	14,249
Trade receivables	-	16,039	18,959	3,464
Trade payables	(21,130)	(333)	(15,005)	(3,530)
Loans and borrowings	(8,748,377)	-	(5,799,825)	-

Sensitivity analysis	10% Strengthening to the AUD		10% Weakening to the AUD	
	Equity $	Net Profit / (Loss) $	Equity $	Net Profit / (Loss) $
2020 (Consolidated)				
USD (10% movement)	(1,923)	(798,831)	2,351	976,349
TZS (10% movement)	1,428	123	(1,745)	(151)
2019 (Consolidated)				
USD (10% movement)	359	(429,310)	(439)	524,713
TZS (10% movement)	(6)	1,295	7	(1,583)

(b) Liquidity risk

The liquidity position of the Group is managed to ensure sufficient liquid funds are available to meet the Group's financial commitments in a timely and cost-effective manner.

The Group's treasury function continually reviews the Group's liquidity position, including cash flow forecasts, to determine the forecast liquidity position and maintain appropriate liquidity levels.

Contractual maturities of financial liabilities	Less than 1 year $	Between 1 and 2 years $	Total contractual cash flows $	Carrying amount $
2020 (Consolidated)				
Trade and other payables	437,200	-	437,200	437,200
Loans and borrowings[1]	9,759,920	-	9,759,920	8,748,377
	10,197,120	**-**	**10,197,120**	**9,185,577**
2019 (Consolidated)				
Trade and other payables	449,871	-	449,871	449,871
Loans and borrowings	-	7,771,155	7,771,155	5,799,825
	449,871	**7,771,155**	**8,221,026**	**6,249,696**

[1] Subsequent to year end the Company's shareholders voted to approve the restructure of the debt including extending the due date by two years to October 2022.

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. The Group manages its credit risk on financial instruments, including cash, by only dealing with banks licensed to operate in Australia and credit ratings of AA.

Notes to the financial statements

15. Financial risk management (continued)

(i) Trade and other receivables

The Group operates in the mining exploration sector and does not have trade receivables from customers. It does however have credit risk arising from other receivables.

(ii) Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Note	2020	2019
		$	$
Financial Assets			
Cash and cash equivalents	4	304,633	1,264,791
Trade and other receivables	5	142,900	318,465
Total Financial Assets		**447,533**	**1,583,256**

(d) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement, or for disclosure purposes.

AASB 7 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

(b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices) (level 2); and

(c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The carrying amounts and estimated fair values of all the Group's financial instruments recognised in the financial statements are materially the same.

16. Capital management

(a) Risk management

The Group's policy is to maintain a strong capital base so as to ensure investor, creditor and market confidence and to sustain future development of the business.

The Company has welcomed equity investment from major stakeholders so that goals are aligned and there is a vested interest in the Group's success. Current stakeholders that are also shareholders include major suppliers for exploration, project management and feasibility studies advisors, corporate advisors, Directors, executives and employees.

The Company monitors its total shares on issue, market capitalisation and enterprise value on a regular basis so as to maintain a critical balance between having its strategy fully funded and minimising existing shareholder dilution.

As disclosed in note 10, the Company has incurred debt in the form of the Interim Loan Notes to help fund project development. The loan funding was used as bridging funding to access the senior funding arrangement. The financier has now made a decision to not proceed with the senior funding arrangement. The Company has chosen to take on this debt as opposed to issuing additional shares so as to avoid excessive shareholder dilution at the Company's current market capitalisation. The Company was aiming to fund ongoing project development at a gearing ratio of 50%.

Notes to the financial statements

16. Capital management (continued)

	2020 $	2019 $
Net debt	(8,443,744)	(4,535,034)
Share capital	20,272,214	16,832,075
Net debt to equity ratio	**42%**	**27%**

(b) Dividends

Up until the date of this report, no dividend has been declared or paid by the Company.

17. Interests in other entities

The Group's principal subsidiaries at 30 June 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name	Country of incorporation	Class of shares	Equity Holding 2020 %	Equity Holding 2019 %
Graphex Mining UK No.1 Limited	United Kingdom	Ordinary	**100**	100
Ngwena Tanzania Limited	Tanzania	Ordinary	**100**	100

18. Contingent liabilities

The Group did not have any contingent liabilities as at 30 June 2020 (2019: Nil).

19. Commitments

(a) Lease and operating contract expenditure commitments

Lease (non-cancellable), minimum lease payments

	2020 $	2019 $
- not later than one year	8,215	6,625
- beyond one year	-	-
	8,215	**6,625**

The Group previously leased an office premises with a fixed term lease which expired 4 August 2019. The Company now sub-leases a premises with the lease cancellable with 60 days notice.

(b) Exploration commitments

The Company is required to meet certain minimum expenditure commitments on the mineral exploration assets in which it has an interest. The minimum expenditure commitment is set out in the Prospecting Licences held by the Group. Outstanding exploration commitments are as follows:

	2020 $	2019 $
- not later than one year	275,269	338,525
- beyond one year	-	-
	275,269	**338,525**

Notes to the financial statements

19. Commitments (continued)

(c) Prospecting and mining licence rentals

	2020 $	2019 $
- not later than one year	57,221	73,847
- beyond one year	-	-
	57,221	**73,847**

The Company pays an annual lease amount for the tenements it holds. The leases can be relinquished on or before the anniversary date, therefore there are no contractual commitments beyond one year. The Company has no current plans to drop any existing tenements.

(d) Other commitments

	2020 $	2019 $
- not later than one year	-	1,458,164
- beyond one year	-	-
	-	**1,458,164**

During the prior financial year the Company completed a BFS in which it had issued suppliers and contractors purchase orders to complete various sections of the study. The Company had issued purchase orders of a total value of $3,397,292 as at 30 June 2019. A total of $1,939,128 had been spent against those open purchase orders.

20. Events occurring after reporting dates

Subsequent to year end, the Company:

- Completed the placement of 137,500,000 shares at a price of $0.02 per share for gross proceeds before costs of $2,750,000.
- Issued a further 115,011,555 shares at a price of $0.02 per share under a fully underwritten entitlement offer.
- On the 20 July 2020 the Company's shareholder voted to complete the Company's change in strategic direction including approving:
    - Changing the Company name from Graphex Mining Limited to Marvel Gold Limited (ASX: MVL).
    - Adopting the amended the terms of the Loan Note Subscription Agreement as detailed in note 10.
    - Adopting the transaction with Glomin Services Ltd (**Glomin**), a wholly-owned subsidiary of Capital DI Limited, a ~5% shareholder of the Company (**Capital DI**) under which the Company acquired Glomin's interest in a joint venture with Altus Strategies Plc to earn in to two Mali gold exploration projects, Tabakorole and Lakanfla. As consideration for the acquisition of Glomin's interest, the Company issued Capital DI 35,000,000 shares as reimbursement of costs incurred by Glomin under the existing joint venture.
- Signed a binding term sheet with Oklo Resources Limited (Oklo) to acquire an 80% interest in Oklo's three south Mali gold projects covering 675km2 of highly prospective Birimian Greenstone terrain in South Mali.

Notes to the financial statements

21. Related party transactions

(a) Parent entity

Marvel Gold Limited is the ultimate Australian parent entity of the Group. Marvel Gold Limited is a company limited by shares that is incorporated and domiciled in Australia.

(b) Subsidiaries

Interests in subsidiaries are set out in note 17.

(c) Group transactions

Controlled entities made payments and received funds on behalf of the Company and other controlled entities by way of inter-company loan accounts with each controlled entity. These loans are unsecured, bear no interest and are repayable on demand, however demand for repayment is not expected in the next twelve months.

(d) Key management personnel compensation

	2020 $	2019 $
Short-term employee benefits	830,459	838,410
Post-employment benefits	71,653	72,131
Annual and long service leave	35,466	-
Share-based payments	(135,673)	(143,176)
Shared Services Recovery[1]	(312,668)	(179,335)
	489,237	**588,030**

[1] The Group was a party to a Shared Services Agreement with Matador Mining Limited and Superior Lake Resources Limited under which the Company shared certain costs. During the year, Executives Mr McKenzie and Mr Knee spent a portion of their time working for the above-mentioned companies, with this time recharged by the Group on an at cost basis. This is included above as the Shared Services Recovery.

Detailed remuneration disclosures are provided in the Remuneration Report.

(e) Other KMP transactions

Mr. Grant Davey, who was a Non-Executive Director of the Company is a Director and shareholder of Matador Capital Pty Ltd (**Matador Capital**). The Company makes payments to Matador Capital under a Shared Services Agreement in which Matador Capital provides office space and general office costs to the Company at cost plus 2%. The Company also uses Matador Capital's technical and project management expertise including the DFS project manager of which the Company pays a fee of cost plus 14%.

Mr. Davey is also a Director of Superior Lake Resources Limited and former Director of Matador Mining Ltd (resigned 2 June 2020), ASX listed Companies that have a Shared Services Agreement with the Company. Under this arrangement the Company provides company secretarial, accounting and administration services. Payments made under these arrangements for the year are set out below.

	2020 $	2019 $
Related party transactions		
Payments to Matador Capital Pty Ltd	(307,445)	(182,000)
Receipts from Superior Lake Resources Limited	278,200	103,335
Receipts from Matador Mining Ltd	278,200	103,534

Notes to the financial statements

22. Share-based payments

(a) Employee option plan

Information on the Company's Option Plan (**Plan**) was set out in the Company's Replacement Prospectus lodged on 10 May 2016. Given the disclosure of the Plan in the Replacement Prospectus, the issue of shares under the Plan rules does not count towards the Company's share issuance capacity under ASX listing Rules 7.1 and 7.1A. The Plan is designed to:

a) assist and reward the retention and motivation of employees;
b) link employee reward to shareholder value creation; and
c) align the interests of employees with shareholders by providing an opportunity for employees to receive an equity interest in the Company in the form of Options.

Under the Plan, participants are granted options which only vest if certain performance criteria are satisfied. Participation in the Plan is at the Board's discretion and no individual has a contractual right to participate in the Plan or to receive any guaranteed benefits.

The number of STI options that vest is linked to performance against shorter term strategic objectives of the Company and a performance assessment of employees against specific KPI's relevant to that position. Once vested, the options remain exercisable for a period of two years. The number of LTI options that vest depends on performance against a number of Board approved Company objectives, including finalisation of finance and offtake arrangements for the development of the Chilalo Graphite Project, bringing Chilalo into production and share price performance.

To exercise an option, an employee must deliver a signed notice of exercise and, subject to a cashless exercise of options, pay the option exercise price prior to the expiry date. An option may specify that at the time of exercise, the employee may elect not to be required to provide payment of the option exercise price. Alternatively, the Company will transfer or issue to the employee that number of shares equal in value to the positive difference between the market value of the shares at the time of exercise and the option exercise price that would otherwise be payable to exercise those options.

The Board has determined that STI awards and LTI awards will be equity settled to ensure alignment with shareholders' interests and to preserve cash.

Options are granted under the Plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share subject to the payment of any applicable exercise price. Set out below are summaries of options granted under the Plan:

	2020		2019	
	Weighted average exercise price	Number of options '000	Weighted average exercise price	Number of options '000
As at 1 July	Nil	5,357	$0.15	13,782
Granted during the period[1]	Nil	2,576	Nil	2,186
Exercised during the period	Nil	-	$0.16	(3,686)
Forfeited during the period	Nil	(2,311)	$0.21	(6,925)
As at 30 June	**Nil**	**5,622**	**Nil**	**5,357**

[1] Options granted carried a nil exercise price.

Notes to the financial statements

22. Share-based payments (continued)

Options outstanding at the end of the period have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price	Options 30 June 2020 '000
28-Sep-17	01-Jul-22	Nil	804
24-Nov-17	01-Jul-22	Nil	596
26-Nov-18	01-Jul-23	Nil	580
26-Nov-18	01-Jul-21	Nil	106
13-Dec-18	01-Jul-21	Nil	75
13-Dec-18	01-Jul-23	Nil	804
13-Dec-18	01-Jul-20	Nil	81
24-Jul-19	01-Jul-22	Nil	160
24-Jul-19	01-Jul-24	Nil	980
14-Nov-19	01-Jul-20	Nil	130
14-Nov-19	01-Jul-22	Nil	550
14-Nov-19	01-Jul-24	Nil	756

Weighted average remaining contractual life of options outstanding at period end is 2.76 years (2019: 2.74 years).

Fair value of options granted

All options issued during the period were zero priced options. These options can be exercised for nil consideration after vesting. Given the nil exercise price, the fair value of all options with non-market based conditions is reflected by the share price at the date of issue. The estimated fair value of the long term share options with market based conditions was determined using a combination of analytical approaches and Monte Carlo simulation.

(b) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions during the period were as follows:

	2020 $	2019 $
Options issued under the Plan[1]	(149,583)	(138,657)
	(149,583)	**(138,657)**

[1] At the end of each reporting period the Company applies a probability to options with non-market based vesting criteria to reflect the likely number of options that will vest at the end of the vesting period taking into consideration all the vesting criteria. As outlined in the Directors Report, the Company has changed strategic direction which will likely result in all previous options lapsing unvested. This is a result of previous vesting criteria being based on progression and financing of the Chilalo Graphite Project. This results in a reversal of amounts previously expensed.

Notes to the financial statements

23. Remuneration of auditors

During the period, the following fees were paid and payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

(a) PricewaterhouseCoopers Australia (PwC)

	2020 $	2019 $
(i) Audit and assurance services		
Audit and review of financial statements	45,684	64,770
Other assurance services	-	1,500
Total audit and assurance remuneration	**45,684**	**66,270**
(ii) Taxation services		
Taxation services	32,874	70,846
Total taxation remuneration	**32,874**	**70,846**

(b) Network firms of PwC (Tanzania)

(i) Audit and assurance services		
Audit of financial statements	11,089	17,824
Total audit and assurance remuneration	**11,089**	**17,824**
(ii) Taxation services		
Taxation services	15,850	18,162
Total taxation remuneration	**15,850**	**18,162**

The Company has engaged PwC to perform tax compliance services provided during the 2020 and 2019 financial year being the preparation and lodgement of the Group's tax returns in both Australian and Tanzania. In addition to compliance engagements, the Company also engaged PwC Australia and Tanzania for tax structuring advice on an ad hoc basis. It is the Group's general preference to employ PwC on assignments additional to their statutory audit duties where PwC's expertise and experience with the Group are important. These assignments are principally tax advice, or where PwC is awarded assignments on a competitive basis.

24. Earnings per share

	2020 $	2019 $
(a) Basic earnings per share		
From continuing operations attributable to ordinary equity holders	(0.07)	(0.10)

The weighted average number of shares used to calculate both the basic and diluted earnings per share is 104,446,456 (2019: 82,734,539).

(b) Fully diluted earnings per share		
From continuing operations attributable to ordinary equity holders	(0.07)	(0.10)

(c) Information concerning the classification of securities

Options granted to employees under the Plan and those issued to contractors are considered to be potential ordinary shares. They have been included in the determination of diluted earnings per share with the assumption all such options will vest, and to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in note 22.

Notes to the financial statements

25. Parent entity financial information

The individual financial statements for the parent entity show the following aggregate amounts:

(a) Summary of financial information

	2020 $	2019 $
Balance sheet		
Current assets	416,882	1,383,530
Total assets	5,461,214	6,447,493
Current liabilities	(9,465,079)	(667,075)
Total liabilities	(9,465,079)	(6,466,900)
Shareholders' equity		
Issued capital	20,272,214	16,832,075
Reserves	1,340,505	1,490,088
Retained earnings	(25,616,584)	(18,341,570)
Total shareholders' equity	(4,003,865)	19,407
Loss for the period	**(6,273,559)**	**(10,285,136)**
Total comprehensive loss	**(6,273,559)**	**(10,285,136)**

(b) Guarantees

Marvel, as the parent company, has provided a guarantee for ongoing financial support to its wholly owned Tanzanian subsidiary Ngwena Tanzania Limited.

(c) Commitments

Of the commitments in note 19, all of the leases disclosed in note 19 related to the parent, Marvel. These related to the fixed term non-cancellable low value leases of the Company's photocopier/printer lease.

(d) Contingencies

The parent entity did not have any contingent liabilities as at 30 June 2020 or 30 June 2019. For information about guarantees given by the parent entity, please see above.

Notes to the financial statements

26. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. The financial statements are for the Group consisting of Marvel and its subsidiaries disclosed in note 17.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

(i) Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

(ii) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 27.

(iii) New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations has not resulted in a significant or material change to the company's accounting policies.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of AASB 16 Leases did not have any significant impact on the financial performance or position of the company as it only had short term leases of 12 months or less.

(iv) Going concern

These financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss of $7,486,841 and had net cash outflows from operating activities of $5,346,710 for the year ended 30 June 2020. As at that date, the Group had net current liabilities of $8,971,372 although subsequent to year end the primary current liability, being loans and borrowings of $8,748,377 was novated to a subsidiary (i.e. no security recourse to the Company) and extended the repayment date to 29 October 2022 which will move its classification to non-current. The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to secure funds by raising capital from equity markets and managing cash flows in line with available funds.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report.

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- As disclosed in note 10, the company amended the terms of the Loan Note Subscription Agreement to extend the repayment date and limit the security over the Company's asset to that of its holding company and subsidiary.
    - Should the Chillao sales process yield cash proceeds that exceed the LNSA debt, the Company will receive the excess proceeds.
    - If the Chilalo process does not result in repayment of the LNSA by 29 October 2022, the Castlelake will take control of the Chilalo Project with no further recourse to the Company.
- As disclosed at note 20, subsequent to period end the Company completed the placement of 137,500,000 share at a price of $0.02 per share for gross proceeds before costs of $2,750,000.

Notes to the financial statements

- As disclosed in note 20, subsequent to period end the Company Issued a further 115,011,555 shares at a price of $0.02 per share under a fully underwritten entitlement offer to raise $2,300,000 before costs.
- The Group has the ability to issue additional equity securities under the Corporations Act 2001 to raise further working capital; and
- The Group has the ability to curtail administrative, discretionary exploration and overhead cash outflows as and when required.

(b) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset and costs directly attributable to bringing the asset to a working condition for their intended use.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Depreciation of plant and equipment is calculated on a straight-line basis so as to write off the net costs of each asset over the expected useful life. The rates vary between 2% and 50% per annum.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

(d) Impairment

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the consolidated statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(e) Exploration and evaluation costs

Costs arising from the acquisition of exploration and evaluation activities are carried forward where these activities have not, at reporting date, reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves. The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas of interest. Ongoing exploration activities are expensed as incurred.

The Directors believe that this policy results in the carrying value of exploration expenditure more appropriately reflecting the definition of an asset, being future benefits controlled by the Group. All costs carried forward are in respect of areas of interest in the exploration and evaluation phases and accordingly, production has not commenced.

Exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, in particular when exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area.

Notes to the financial statements

Where tenements or part of an area of interest are disposed of, the proceeds of this partial disposal will reduce the value of the asset by the fair value of those proceeds. This recognises that part of the future economic benefit of the asset has effectively been disposed.

(f) Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable of the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow 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 is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Tax exposures

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made. The Company and its wholly owned Australian tax resident entities (Graphex UK No. 1 Limited) are part of a tax consolidated group.

(g) Other taxes

Revenues, expenses and assets are recognised net of the amount of goods and services tax (**GST**) or value added tax (**VAT**), unless the GST / VAT incurred is not recoverable from taxation authorities. In this case it is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated inclusive of the amount of GST / VAT receivable or payable. The net amount of GST / VAT recoverable from, or payable to, taxation authorities is included with other receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows inclusive of GST / VAT. The GST / VAT components of cash flows arising from investing and financing activities which are recoverable from, or payable to, taxation authorities are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST / VAT recoverable from, or payable to taxation authorities. The net of GST / VAT payable and receivable is remitted to the appropriate tax body in accordance with legislative requirements.

(h) Foreign currency translation

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Notes to the financial statements

(h) Foreign currency translation (continued)

Foreign currency transactions

Transactions in foreign currencies are translated to the respective financial currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities that are measured in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss, However, foreign currency differences arising on the retranslation of available-for-sale equity instruments, a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the presentation currency at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportion of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of, such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(i) Accounts payable

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost when the Group becomes obliged to make payments resulting from the purchase of goods and services. The amounts are non-interest-bearing, unsecured and are usually paid within 30 days of recognition.

(j) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(k) Employee benefits

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid, inclusive of on costs, when the liabilities are settled. The expense for non-accumulating sick leave is recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long-term employee benefits

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Notes to the financial statements

(k) Employee benefits (continued)

(iii) Share-based payment transactions

The fair value of options previously granted under the Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the Directors, employees or contractors become unconditionally entitled to the options.

The fair value of the options at grant date is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the consolidated statement of comprehensive income with a corresponding adjustment to equity.

The fair value of these equity instruments does not necessarily relate to the actual value that may be received in future by the recipients. The Company accounts for share based payments issued to non-employees in accordance with the share based payments standard.

(l) Revenue recognition

Interest revenue is recognised as it accrues in profit or loss, using the effective interest method.

(m) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. The Company uses an 'expected credit loss' (ECL) model to recognise an allowance if not collectable.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance 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 impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance 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 profit or loss.

(n) Earnings per share (EPS)

Basic earnings per share

Basic EPS is calculated as the profit / (loss) attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, divided by the weighted average number of ordinary shares outstanding during the financial period, adjusted for any bonus elements in ordinary shares issued during the period.

Diluted earnings per share

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

Notes to the financial statements

(o) Cash and cash equivalents

For Consolidated Statement of Cash Flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Consolidated Balance Sheet.

(p) Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and in the case of assets classified as held-to-maturity investments, re-evaluates this designation at each reporting date.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and trade and other receivables (see notes 4 and 5).

When an investment is derecognised, the cumulative gain or loss in equity is transferred to the consolidated statement of comprehensive income. Fair value is determined by reference to the quoted price at the reporting date.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and at call deposits with original maturities of three months or less.

(ii) Non-derivative financial liabilities

All financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or have expired.

The Group classified non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise loans from related parties and trade and other payables.

(iii) Loans and Borrowings

The Company entered into a Loan Note Subscription Agreement with funds managed by Castlelake L.P. to raise US$5 million from the issue of secured Interim Loan Notes, which became available during the period. At the end of the period, the Company has drawn the US$5 million Interim Loan Notes available. Full details of the Interim Loan Notes are outlined in note 10.

The Loan Notes are valued at amortised cost using the effective interest method over the life of the loan. The Interim Loan Notes are classified as current given they are 12 months or less from the maturity date of 29 October 2020. Subsequent to year end the primary current liability, being loans and borrowings of $8,748,377 was novated to a subsidiary (i.e. no security recourse to the Company) and extended the repayment date to 29 October 2022 which will move its classification to non-current

Notes to the financial statements

(q) *Share capital*

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(r) Segment reporting

Segment results that are reported to the Group's Managing Director (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

(s) Parent entity information

The financial information for the parent entity, Marvel Gold Limited, disclosed in note 25 has been prepared on the same basis as the consolidated financial statements.

(t) Rounding

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument.

(u) Comparatives and restatements of prior year balances

Comparatives have been reclassified where appropriate to enhance comparability.

27. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Exploration and evaluation
Exploration and evaluation acquisition costs have been capitalised on the basis that activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Key judgements are applied in considering the recoverability of the value of the asset. The Company assesses whether any impairment indicators may exist over the area of interest to assess recoverability each year.

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates.

As outlined in the events since the end of the financial year note in the Directors Report and note 10, as a result of the economic uncertainty caused by COVID-19, the Company's financier decided not to proceed with the previously announced financing of the development of the Company's Chilalo Graphite Project. The economic impact of COVID-19 and the subsequent market fallout resulted in a sharp decline in the Company's market capitalisation, and as such any project finance solution under terms previously agreed was likely to result in unacceptable dilution for the Company's shareholders. Subsequent to year end, the Company formalised revision of the terms of the terms LNSA to defer repayment to 29 October 2022 and confining the Financier's security to Chilalo Project related assets and removing the Financier's legal recourse to the Company.

Notes to the financial statements

Other than as addressed in specific notes, there does not currently appear to be any other significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

Directors declaration

In the opinion of the Directors:

(a) the consolidated financial statements and notes set out on pages 27 to 55 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

(ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the financial year ended on that date, and

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

The Directors have been given the declarations by the Managing Director and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.



Stephen Dennis
Chairman
PERTH
On this 28th day of September 2020

Independent auditor's report

To the members of Marvel Gold Limited (formerly Graphex Mining Limited)

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Marvel Gold Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated balance sheet as at 30 June 2020
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Material uncertainty related to going concern

We draw attention to Note 26(a)(iv) in the financial report, which indicates that the Group incurred a net loss of $7,486,841 during the year ended 30 June 2020 and a net cash outflow from operating activities of $5,346,710 and, as of that date, the Group had net current liabilities of $8,971,372. As a

result, the Group is dependent on obtaining additional funding in the next 12 months to enable it to continue its normal business activities. These conditions, along with other matters set forth in Note 26(a)(iv), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



Materiality

- For the purpose of our audit we used overall Group materiality of $374,000, which represents approximately 5% of the Group's loss before tax.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose Group loss before tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured and reflects the Group's accounting policy to expense ongoing exploration activities as incurred.
- We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- The Group maintains its corporate head office in Australia and has exploration assets in Tanzania. Key financial processes are principally managed from the head office finance function in Australia.

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 for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Board of Directors.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	***How our audit addressed the key audit matter***

Carrying value of exploration and evaluation assets
(Refer to note 7, 27)
 	
As at 30 June 2020, the Group had capitalised exploration and evaluation assets of $5,000,000 relating to the Chilalo graphite project in Tanzania.
 	
Judgement was required by the Group to assess whether there were indicators of impairment of the capitalised exploration and evaluation assets due to the need to make estimates and assumptions about future events and circumstances, such as whether the mineral resources may be economically viable to mine in the future.
 	
This was a key audit matter because of the significance of the balance and the risk of impairment of the exploration and evaluation assets following the decision by Castlelake, L.P not to proceed with financing the development of the Chilalo project.
	To assess the carrying value of exploration and evaluation assets, we performed the following procedures, amongst others:
	
	• Tested whether the Group retained right of tenure for its exploration licence areas by obtaining licence status records maintained by the relevant government authority in Tanzania.
	
	• Considered the consistency of information provided with other available information, such as market releases made by the Group about the results of test work and other project development activities.
	
	• Evaluated the Group's impairment indicator assessment for its capitalised exploration and evaluation assets by performing the following procedures, amongst others:
	
	  ○ Inquired of management and directors to develop an understanding of the current status and future intentions for the Group's project.
	
	  ○ Obtained plans for future expenditure and compared these to contractual minimum licence expenditure requirements.

Key audit matter	How our audit addressed the key audit matter
	○ Read the most up-to-date borrowing agreements between the Group and Castlelake, L.P to obtain an understanding of the amended terms associated with the Interim Loan Notes and considered the implications of the amendments in relation to the Group's impairment indicator assessment.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2020 but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 12 to 21 of the directors' report for the year ended 30 June 2020.

In our opinion, the remuneration report of Marvel Gold Limited for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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



PricewaterhouseCoopers



Craig Heatley
Partner

Perth
28 September 2020

ASX Additional Information

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 16 September 2020.

(a) DISTRIBUTION OF EQUITY SECURITIES

Ordinary Shares

			Number of holders	Number of shares
1	-	5,000	2,665	1,350,598
5,001	-	10,000	182	1,400,896
10,001	-	100,000	543	20,015,385
100,001		and over	308	390,877,179
			3,698	413,644,058[1]
Number of holders holding less than a marketable parcel of shares			2,765	1,980,442

1. 7,500,000 shares are subject to voluntary escrow to 15 June 2023.

Unlisted Options

			Number of holders	Number of Unlisted Options
1	-	10,000	-	-
10,001	-	100,000	2	168,669
100,001		and over	8	38,359,338
			8	38,528,007

(b) TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of quoted shares as at 16 September 2020 are:

Rank	Name	Number of shares	% of shares
1.	CAPITAL DI LIMITED	57,692,223	13.95
2.	MONTANA REALTY PTY LTD	20,050,430	4.85
3.	BPM CAPITAL LIMITED	19,550,000	4.73
4.	J P MORGAN NOMINEES AUSTRALIA LIMITED	16,783,886	4.06
5.	MR MARTYN ROGER BROWN	16,250,000	3.93
6.	QUINTERO GROUP LTD	14,565,386	3.52
7.	CITICORP NOMINEES PTY LIMITED	9,983,044	2.41
8.	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	9,458,469	2.29
9.	CLARKSON'S BOATHOUSE PTY LTD <CLARKSON SUPER FUND A/C>	7,254,188	1.75
10.	MR PHILIP HOSKINS	7,231,328	1.75
11.	LOMACOTT PTY LTD <THE KEOGH SUPER FUND A/C>	7,159,658	1.73
12.	ONE MANAGED INVESTMENT FUNDS	5,759,664	1.39
13.	MR ANDREW CLAYTON <THE KING CAREY A/C>	5,374,224	1.30
14.	MR BRIAN MCCUBBING <B MCCUBBING SUPER FUND A/C>	5,290,440	1.28
15.	MRS JUDI MARIE RUDD	5,000,000	1.21
16.	BNP PARIBAS NOMS PTY LTD <DRP>	4,682,221	1.13
17.	1202 MANAGEMENT PTY LTD	4,145,187	1.00
18.	EQUITY TRUSTEES LIMITED <LOWELL RESOURCES FUND A/C>	4,100,000	0.99
19.	MR STEPHEN BRUCE DENNIS	4,047,598	0.98
20.	BEEBEE HOLDINGS PTY LTD	3,831,853	0.93
Total Top 20 holders of ORDINARY FULLY PAID SHARES		**228,209,799**	**55.17**
Total Remaining Holders Balance		**185,434,259**	**44.83**

ASX Additional Information

(c) TWENTY LARGEST HOLDERS OF UNLISTED OPTIONS

Rank	Name	Number of unlisted options	% of unlisted options
1.	MR PHILIP HOSKINS	12,967,220	33.66
2.	MR CHRISTOPHER PHILIP VAN WIJK	8,750,000	22.71
3.	MR ANDREW PARDEY	4,500,000	11.68
4.	MRS RUTH MARY MCKENZIE AND MR STUART ANDREW MCKENZIE	4,609,803	11.96
5.	MR CHRISTOPHER BRUCE KNEE	4,480,036	11.63
6.	MR STEPHEN BRUCE DENNIS + MRS ALISON JILL DENNIS <DENNIS SUPER FUND A/C>	2,300,000	5.97

The options listed in the table above excludes all options issued to KMP under the employee share scheme up to 30 June 2020. These options will lapse unexercised owing to a failure to meet applicable vesting criteria.

(d) SUBSTANTIAL SHAREHOLDERS
Capital DI Limited: 13.95%

(e) VOTING RIGHTS

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands. Options have no voting tights until such time as they are exercised and shares have been issued.

(f) UNQUOTED SECURITIES >20% HOLDERS

Class	Holder	Number
Options exercisable @ $0.035, expiring 29/07/24	Phil Hoskins	5,125,000
	Chris van Wijk	4,375,000
Options exercisable @ $0.06, expiring 29/07/24	Phil Hoskins	2,562,500
	Chris van Wijk	2,187,500
Options exercisable @ $0.10, expiring 29/07/24	Phil Hoskins	2,562,500
	Chris van Wijk	2,187,500
Zero priced options (STI/LTI)	Phil Hoskins	2,717,220

(g) TENEMENT SCHEDULE

Tenement	Ownership	Project	Location
ML 569/2017 - Chilalo	100%	Chilalo	Tanzania
PL 11050/2017 - Chilalo West	100%	Chilalo	Tanzania
PL 11034/2017 - Chilalo	100%	Chilalo	Tanzania
PL 9929/2014 - Chikwale	100%	Chilalo	Tanzania
PL 9946/2014 - Machangaja	100%	Chilalo	Tanzania
PR 15/758 - Tabakorole	-	Tabakorole	Mali
PR 18/950 – Lakanfla	-	Lakanfla	Mali
PR 16/387 - Sirakourou	-	Tabakorole	Mali
PR 19/1057 - Solabougouda	-	Tabakorole	Mali
TBA – Solabougouda South	-	Tabakorole	Mali

ASX Additional Information

Tenement	Ownership	Project	Location
PR 17/879	-	Kolondieba	Mali
PR 16/803	-	Kolondieba North	Mali
PR 17/875	-	Yanfolila	Mali
PR 16/802	-	Yanfolila East	Mali