RNS Number : 5593D
Cobra Resources PLC
30 June 2021

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("MAR"), AND IS DISCLOSED IN ACCORDANCE WITH THE COMPANY'S OBLIGATIONS UNDER ARTICLE 17 OF MAR.

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30 June 2021

Cobra Resources plc
("Cobra" or the "Company")

Final Results for the Year Ended 31 December 2020

Cobra, the gold explorer focused on the Wudinna Gold Project in South Australia, announces its final results for the year ended 31 December 2020.

Key highlights:

- Strengthened existing board with the appointment of two new Non-Executive Directors, David Clarke and Daniel Maling, in April 2020
- Executed a successful exploration campaign during the first half of 2020, with 5,185 samples analysed for broad multi-element suite, with this extensive dataset providing excellent information to target priority drilling areas
- Successfully raised £1.5m to progress drilling in the second half of 2020, driven by increased confidence in the planned drilling targets gained from the pathfinder strategy
- Undertook a further drilling programme that completed in November 2020, focused on testing the orientation and continuity of mineralisation at the Baggy Green, Clarke and Barns deposits
    - The total drilling programme included 41 holes for 6,090 metres
    - The drilling programme satisfied the Stage 1 Earn in obligations, such that Cobra now holds a 50% beneficial interest in the Wudinna Gold Project

Greg Hancock, Chairman of Cobra, commented:
"The Company has delivered some very strong progress over the course of the period that position us for a hugely exciting next phase which is now underway. I thank my fellow directors for their contribution throughout the year, Craig Moulton our Managing Director for his commitment, and our shareholders generally for their support. We look forward to a period of significant activity which lies in front of us."

The full financial statements can be viewed on the Company website: https://cobraplc.com/category/financial-reports/

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About Cobra

Cobra's Wudinna Gold Project is located in the Gawler Craton which is home to some of the largest IOCG discoveries in Australia including Olympic Dam, as well as Prominent Hill and Carrapateena. Cobra's Wudinna tenements contain extensive orogenic gold mineralisation and are characterised by potentially open-pitable, high-grade gold intersections, with ready access to nearby infrastructure. In total Cobra has over 22 orogenic gold prospects, with grades of between 16 g/t up to 37.4 g/t outside of the current 211,000 oz JORC resource, as well as one copper-gold prospect, and four IOCG targets.

Wudinna Project Description

The Eyre Peninsula Gold Joint Venture comprises a 1,928 km^2 land holding in the Gawler Craton. The Wudinna Gold Project within the Joint Venture tenement holding comprises a cluster of gold prospects which includes the Barns, White Tank and Baggy Green deposits.

CHAIRMAN'S STATEMENT

INTRODUCTION

2020 will be remembered as a challenging year, profoundly impacting the lives of many people. The pandemic also impacted both equity and commodity markets, resulting in strong demand for safehaven commodities such as gold and copper, reflected through strong support for precious and base metals explorers on the London Stock Exchange. During the year, Cobra raised sufficient funds to conduct three detailed soil programmes, and then test priority targets via a significant Reverse Circulation (RC) drilling programme. The results of this drilling, particularly at Clarke, were spectacular, realising one of the largest high-grade intercections in the Wudinna Gold Projects' history.

BACKGROUND

Cobra Resources began life as publicly listed company with the aim of finding suitable precious, base or energy metals exploration or mining projects in either Australia or Africa. During 2019 the Board identified several potentially suitable projects, which were reviewed in detail to evaluate their strengths, growth potential and likely longer-term value to shareholders.

Following an extensive due diligence process, the Wudinna Gold Project was identified as the most compelling opportunity primarily due to its technical and commercial merits which could be efficiently explored and grown with Cobra's infrastructure and skilled resources. This included having an existing gold resource of over 200,000 ounces with significant upside potential, being located in a jurisdiction that was stable, with low sovereign risk, and having a large number of prospects which could be efficiently explored and expanded with Cobra's infrastructure and skilled resources.

The Group has retained a team with the core competencies required to deliver on its strategic objectives. During the course of 2020, the Company sought to strengthen the existing board with the appointment of two new members:

- David Clarke - Non-Executive Director. David is an eminent and renowned geologist, responsible for the discovery of Tuckabianna amongst others. David is tasked with providing technical oversight.
- Daniel Maling - Non-Executive Director. Daniel has extensive commercial and business development experience in the oil & gas, mining and technology sectors.

OPERATIONAL REVIEW

The Company's articulated strategy to utilise staged geochemical sampling to identify priority targets as a means to reduce risk was demonstrably successful during the 2020 exploration campaign. These initial three programmes focused on:

Programme 1: Calibration of surface and drillhole geochemistry to characterise primary immobile pathfinder elements directly associated with mineralisation.
Programme 2: Collection of surface samples and re-analysis of historic surface and drillhole pulps to charaterise the orientation and extension of existing brownfields resources.
Programme 3: Re-analysis of historic surface pulps to charaterise priority areas for greenfields discoveries.

In total 5,185 samples were analysed for a broad multi-element suite, with this extensive dataset providing excellent information to target priority drilling areas. With increased confidence in the planned drilling targets gained from this pathfinder strategy, the Company then raised £1.5m to progress the drilling during the second half of 2020.

Drilling commenced at Wudinna on 23rd September 2020 . Four primary drilling areas were planned, focusing on testing the orientation and continuity of mineralisation at the Baggy Green, Clarke, Laker and Barns deposits. Unfortunately access conditions meant that the Laker drilling did not proceed, and was deferred.
The total drilling programme of included 41 holes for 6,090 metres and was completed by 14th November 2020. Following some assay laboratory and Christmas holiday delays the company was able to report the following signature intersections post year end:

1. CBRC009 31m @ 3.06g/t from 69m inc. 15m @ 5.25 g/t
2. CBRC008 16m @ 1.37g/t from 43m inc. 4m @ 4.19 g/t
3. CBRC027 37m @ 1.38g/t from 151m inc. 13m @ 3.25g/t
4. CBRC026 6m @ 2.3g/t from 85m inc. 1m @ 8.72g/t

The drilling programme satisfied the Stage 1 Earn In obligations such that Cobra now holds a 50% beneficial interest in the Wudinna Gold Project.

POST PERIOD END EVENTS

On 11 January 2021, the Company issued a total of 32,383,152 new ordinary shares pursuant to completion of Stage 1 earn-in of the Wudinna Gold Project, with 31,049,819 shares at 2.4 pence per share being issued in accordance with the acquisition agreement to the vendors of Lady Alice Trust and Lady Alice Mines Pty Ltd, and 1,333,333 shares at 1.5 pence per share issued to the Company's CEO in accordance with the terms of his service agreement.

On 28 January 2021, the Company issued 1,934,800 new ordinary shares pursuant to the exercise of warrants, with 934,800 shares at a price of 3 pence per share and 1,000,000 shares at a price of 2 pence per share.

On 18 and 19 of February 2021, the Company issued 2,333,334 new ordinary shares and 1,666,667 new ordinary shares respectively, at 2 pence per share, pursuant to the exercise of warrants.

On 29 April 2021, the Company issued a total of 7,110,053 new ordinary shares, with 5,664,340 shares being issued at 1 pence per share to the vendors of Lady Alice Trust and Lady Alice Mines Pty Ltd in accordance with the acquisition agreement for the Wudinna Gold Project, and 1,445,713 shares at 2.3 pence per share to a drilling contractor in settlement of a contractual agreement in respect of the provision of service.

COVID-19

On 11 March 2020, the World Health Organisation declared the Coronavirus outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 200 countries now affected. Many governments are taking increasingly stringent steps to help contain or delay the spread of the virus and as a result there is a significant increase in economic uncertainty.

For the Group's 31 December 2020 financial statements, the Coronavirus outbreak and the related impacts are considered non-adjusting events. Consequently, there is no impact on the recognition and measurement of assets and liabilities. Due to the uncertainty of the outcome of current events, the Group cannot reasonably

estimate the impact these events will have on the Group's financial position, results of operations or cash flows in the future.

CONCLUSION

Despite the challenges presented in 2020, the Company has delivered some very strong progress over the course of the period that position us for a hugely exciting next phase which is now underway. I thank my fellow directors for their contribution throughout the year, Craig Moulton our Managing Director for his commitment, and our shareholders generally for their support. We look forward to a period of significant activity which lies in front of us.

Greg Hancock
Chairman
29 June 2021

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2020

	Notes	31 December 2020 £	31 December 2019 £
Other Income		50,280	-
Other Expenses		(895,684)	(544,500)
IPO expenses		-	(124,400)
Operating loss	**2**	(845,404)	(668,900)
Finance income and costs		-	-
Change in estimate of contingent consideration	**13**	(161,346)	-
Loss before tax		(1,006,750)	(668,900)
Taxation	**5**	-	-
Loss for the year attributable to equity holders		(1,006,750)	(668,900)
Earnings per ordinary share			
Basic and diluted loss per share attributable to owners of the Parent Company		(£0.0035)	(£0.0099)
	6		

All operations are considered to be continuing.

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2020

	31 December 2020 £	31 December 2019 £

Loss for the year	(1,006,750)	(668,900)
Other Comprehensive income		
Items that may subsequently be reclassified to profit or loss:		
- Exchange differences on translation of foreign operations	66,916	(1,461)
Total comprehensive loss attributable to equity holders of the Parent Company	(939,834)	(670,361)

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2020

	Notes	2020	2019
		£	£
Non-current assets			
Intangible Fixed Assets	8	1,495,519	612,242
Property, plant and equipment	9	2,400	3,428
Total non-current assets		1,497,919	615,670
Current assets			
Trade and other receivables	10	69,408	37,433
Cash and cash equivalents	11	1,338,851	7,675
Total current assets		1,408,259	45,108
Non-current liabilities			
Deferred consideration	13	(322,691)	(350,066)
Current liabilities			
Trade and other payables	12	(169,314)	(436,553)
Deferred consideration	13	(188,721)	(215,486)
Total current liabilities		(358,035)	(652,039)
Net assets/(liabilities)		2,225,451	(341,327)
Capital and reserves			
Share capital	14	2,829,566	672,335
Share premium account		564,173	160,992
Share based payment reserve		1,006,239	69,038
Retained losses		(2,239,982)	(1,242,231)
Foreign currency reserve		65,456	(1,461)
Total equity		2,225,451	(341,327)

The accompanying notes are an integral part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 29 June 2021.

Signed on behalf of the Board of Directors
Craig Moulton, Executive Director, Company No. 11170056

COMPANY STATEMENT OF FINANCIAL POSITION

31 December 2020

	Notes	2020 £	2019 £
Non-current assets			
Investment in subsidiary	7	432,260	432,260
Property, plant and equipment	9	2,400	3,428
Intangible Fixed Assets	8	33,251	-
Total non-current assets		467,910	435,688
Current assets			
Trade and other receivables	10	1,636,477	241,518
Cash and cash equivalents	11	834,164	1,749
Total current assets		2,470,641	243,267
Non-current liabilities			
Deferred consideration	13	(322,691)	(350,066)
Total Non-current liabilities		(322,691)	(350,066)
Current liabilities			
Trade and other payables	12	(95,636)	(422,560)
Deferred consideration	13	(188,721)	(215,486)
Total current liabilities		(284,357)	(638,046)
Net assets/(liabilities)		2,331,502	(309,157)
Capital and reserves			
Share capital	14	2,829,566	672,335
Share premium account		564,173	160,992
Share based payment reserve		1,006,239	69,038
Retained losses		(2,068,475)	(1,211,522)
Equity shareholders' funds		2,331,502	(309,157)

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not included its own income statement and statement of comprehensive income in these financial statements. The Company's loss for the period amounted to £878,753 (2019: £638,190 loss).

The accompanying notes are an integral part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 29 June 2021.

Signed on behalf of the Board of Directors
Craig Moulton, Executive Director, Company No. 11170056

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	Share	Share	Share	Retained	Foreign	Total

	capital	premium	based payment reserve	losses	currency reserve	
	£	£	£	£	£	£
As at 1 January 2019	672,335	160,992	69,038	(573,332)	-	329,034
Loss for the year	-	-	-	(668,900)	-	(668,900)
Translation differences	-	-	-	-	(1,461)	(1,461)
Comprehensive loss for the year	-	-	-	(668,900)	(1,461)	(670,361)
At 31 December 2019	672,335	160,992	69,038	(1,242,232)	(1,461)	(341,327)
Loss for the year	-	-	-	(1,006,750)	-	(1,006,750)
Translation differences	-	-	-	-	66,917	66,917
Comprehensive loss for the year	-	-	-	(1,006,750)	66,917	(939,834)
Shares issued	2,157,231	1,537,142	-	-	-	3,694,373
Share based payment expired	-	-	(3,833)	3,833	-	-
Exercise of options & warrants	-	-	(17,967)	5,167	-	(12,800)
Cost of share issue	-	(1,133,961)	-	-	-	(1,133,961)
Share warrant charge	-	-	947,000	-	-	947,000
Share option charge	-	-	12,000	-	-	12,000
At 31 December 2020	2,829,566	564,173	1,006,238	(2,239,982)	65,456	2,225,451

The following describes the nature and purpose of each reserve within equity:

Share capital:	Nominal value of shares issued
Share premium:	Amount subscribed for share capital in excess of nominal value, less share issue costs
Share based payment reserve:	Cumulative fair value of warrants and options granted
Retained losses:	Cumulative net gains and losses, recognised in the statement of comprehensive income
Foreign currency reserve:	Gains/losses arising on translation of foreign controlled entities into pounds sterling.

The accompanying notes are an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	Share capital	Share premium	Share based payment reserve	Retained losses	Total
	£	£	£	£	£

At 1 January 2019	672,335	160,992	69,038	(573,332)	329,034
Loss for the year	-	-	-	(638,190)	(638,190)
Translation differences	-	-	-	-	-
Comprehensive loss for the period	-	-	-	(638,190)	(638,190)
At 31 December 2019	672,335	160,992	69,038	(1,211,522)	(309,157)
Loss for the year	-	-	-	(878,753)	(878,753)
Translation differences	-	-	-	-	-
Shares issued	2,157,231	1,537,142	-	-	3,694,373
Share based payment expired	-	-	(3,833)	3,833	-
Exercise of options & warrants	-	-	(17,967)	17,967	-
Cost of share issue	-	(1,133,961)	-	-	(1,133,961)
Share warrant charge	-	-	947,000	-	947,000
Share option charge	-	-	12,000	-	12,000
At 31 December 2020	2,829,566	564,173	1,006,238	(2,068,475)	2,331,502

The following describes the nature and purpose of each reserve within equity:

Share capital:	Nominal value of shares issued
Share premium:	Amount subscribed for share capital in excess of nominal value, less share issue costs
Share based payment reserve:	Cumulative fair value of warrants and options granted
Retained losses:	Cumulative net gains and losses, recognised in the statement of comprehensive income

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2020

	Notes	31 December 2020 £	31 December 2019 £
Cash flows from operating activities			
Loss before tax		(1,006,750)	(668,900)
Equity settled share based payments		265,189	-
Depreciation	9	1,028	979
Foreign exchange		66,916	5,950
Change in estimate of contingent consideration	13	161,346	-
(Decrease) / Increase in trade and other receivables	10	(31,975)	(9,286)
Increase in trade and other payables	12	(482,725)	313,519
Share warrant charge		-	-
Net cash used in operating activities		(1,026,971)	(357,738)

Cash flows from investing activities			
Payments for exploration and evaluation activities	8	(883,277)	(5,660)
Payment for acquisition of subsidiary, net of cash acquired	17	-	11,645
Payments for tangible fixed assets	9	-	(4,407)
Net cash used in investing activities		(883,277)	1,578
Cash flows from financing activities			
Proceeds from the issue of shares		3,428,384	35,700
Cost of shares issued		(186,961)	-
Net cash generated from financing activities		3,241,423	35,700
Net increase/(decrease) in cash and cash equivalents		1,331,176	(320,460)
Cash and cash equivalents at beginning of year		7,675	328,135
Cash and cash equivalents at end of year	11	1,338,851	7,675

- During the year, Shares worth £168,819 were issued to the previous Lady Alice Mines unit holders as per the sale agreement.
- During the year, Liabilities (Broker Fees) worth £186,960 were offset against share proceeds.
- During the year, Shares worth £96,370 were issued to Directors in Lieu of fees.

The accompanying notes are an integral part of these financial statements

COMPANY CASH FLOW STATEMENT
For the year ended 31 December 2020

	Notes	31 December 2020 £	31 December 2019 £
Cash flows from operating activities			
Loss before tax		(878,753)	(638,190)
Equity settled share based payments		265,189	-
Depreciation	9	1,028	979
Foreign exchange loss/gain		12,801	-
Change in estimate of contingent consideration	13	161,346	-
Increase in trade and other receivables	10	(1,394,958)	(4,958)
Increase in trade and other payables	12	(542,410)	359,611
Share warrant charge		-	-
Net cash used in operating activities		(2,375,757)	(282,558)
Cash flows from investing activities			
Payments for tangible fixed assets	9	-	(4,407)
Payments for Intangible fixed assets		(33,251)	-
Investment in subsidiary	7	-	(535)
Net cash used in investing activities		(33,251)	(4,942)
Cash flows from financing activities			
Proceeds from the issue of shares		3,428,384	35,700
Cost of shares issued		(186,961)	-
Loan to subsidiary company	10	-	(74,586)

Net cash (used in)/generated from financing activities		3,241,423	(38,886)
Net increase/(decrease) in cash and cash equivalents		832,415	(326,386)
Cash and cash equivalents at beginning of year		1,749	328,135
Cash and cash equivalents at end of year	11	834,164	1,749

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

General information

The Group is a public company limited by shares which is incorporated in England. The registered office of the Company is 9th Floor, 107 Cheapside, London, EC2V 6DN, United Kingdom. The registered number of the Company is 11170056.

The principal activity of the Group is to objective is to explore, develop and mine precious and base metal projects.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below ('Accounting Policies' or 'Policies'). These Policies have been consistently applied to all the periods presented, unless otherwise stated.

Accounting policies

Basis of preparation of Financial Statements

The Group and Company Financial Statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006. The Group and Company Financial Statements have also been prepared under the historical cost convention, except as modified for assets and liabilities recognised at fair value on an asset acquisition.

The Financial Statements are presented in pounds sterling, which is the functional currency of the Parent Company. The functional currency of Lady Alice Mines Pty Ltd is Australian Dollars.

The preparation of the Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Board to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in Note 1.

Changes in accounting policies

New and amended standards adopted

The adoption of the new or amended standards and interpretations did not result in any significant changes to the Group's and Company's accounting policies.

Amendments to IFRS

The group and company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The group and company has not early adopted any other standard, interpretation or amendment that that been issued but is not yet effective. The nature and effect of these changes as a result of the adoption of these new standards are described below. Other than the changes described below, the accounting policies adopted are consistent with those of the previous financial year.

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combination clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input, and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all the inputs and processes needed to create outputs. These amendments had no impact on the financial statements of the Company but may impact future periods should the Company enter into any business combinations.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magniture of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Group or Company.

Conceptual Framework for Financial Reporting

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standards in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the Group or Company.

Going concern

The Financial Statements have been prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the Directors have taken into account all relevant available information about the current and future position of the Group and Company, including current level of resources and the required level of spending on exploration and evaluation activities. As part of their assessment, the Directors have also taken into account the ability to raise additional funding whilst maintaining sufficient cash resources to meet all commitments.

The Group meets its working capital requirements from its cash and cash equivalents. The Company is pre-revenue, and to date the Company has raised finance for its activities through the issue of equity and debt. The Directors have reviewed the cash flow forecasts and are satisfied that there are sufficient funds to meet planned project expenditure and overheads through to July 2022 the Group and Company have sufficient funds to meet their working capital needs for a period of at least 12 months from the date of approval of these financial statements. Further funding will be required either through equity raisings or other financial arrangements to fund future exploration activities and this additional funding is not guaranteed however to date the Company has been successful in securing funding when required. Exploration and evaluation will be curtailed, if necessary, in order to preserve cash for working capital purposes.

At present the Group believes that there should be no significant material disruption to its operations from COVID-19 in the near term, but the Board continues to monitor these risks and the Group's business continuity plans.

Having prepared forecasts based on current resources, assessing methods of obtaining additional finance and assessing the possible impact of COVID-19, the Directors believe the Group has sufficient resources to meet its obligations for a period of 12 months from the date of approval of these financial statements. Taking these matters into consideration, the Directors continue to adopt the going concern basis of accounting in the preparation of the financial statements. The financial statements do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and companies controlled by the Parent Company, the Subsidiary Companies, drawn up to 31 December each year.

Control is recognised where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities, and is exposed to, or has rights to, variable returns from its involvement in the subsidiary. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, where appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred unless they result from the issuance of shares, in which case they are offset against the premium on those shares within equity.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Investments in subsidiaries are accounted for at cost less impairment.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

The Group's operations are located Australia with the head office located in the United Kingdom. The main tangible assets of the Group, cash and cash equivalents, are held in the United Kingdom and Australia. The Board ensures that adequate amounts are transferred internally to allow all companies to carry out their operational on a timely basis.

The Directors are of the opinion that the Group is engaged in a single segment of business being the exploration of gold in Australia. The Group currently has two geographical reportable segments - United Kingdom and Australia.

Foreign currencies

For the purposes of the consolidated financial statements, the results and financial position of each Group entity are expressed in pounds sterling, which is the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Exchange differences arising are included in the profit or loss for the period.

For the purposes of preparing consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period. Gains and losses from exchange differences so arising are shown through the Consolidated Statement of Changes in Equity.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all property, plant and equipment to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight-line basis at the following annual rates: Office Equipment: 33.33% per annum

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal are

determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains' in the Statement of Comprehensive Income.

Impairment of tangible fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Intangible assets

Exploration and evaluation assets

Exploration and evaluation assets comprises all costs which are directly attributable to the exploration of a project area. The Group recognises expenditure as exploration and evaluation assets when it determines that those assets will be successful in finding specific mineral resources. Expenditure included in the initial measurement of exploration and evaluation assets and which are classified as intangible assets relate to the acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and activities to evaluate the technical feasibility and commercial viability of extracting a mineral resource. Capitalisation of pre-production expenditure ceases when the mining property is capable of commercial production.

Exploration and evaluation assets recorded at fair-value on acquisition

Exploration assets which are acquired are recognised at fair value. When an acquisition of an entity whose only significant assets are its exploration asset and/or rights to explore, the Directors consider that the fair value of the exploration assets is equal to the consideration. Any excess of the consideration over the capitalised exploration asset is attributed to the fair value of the exploration asset.

Impairment of intangible assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Early stage exploration projects are assessed for impairment using the methods specified in IFRS 6.

Financial Assets

Loans and Receivables

(a) Classification and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an instrument level.

The Group's and Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- financial assets at amortised cost (debt instruments);
- financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group and Company. The Group and Company measure financial assets at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Interest received is recognised as part of finance income in the statement of profit or loss and other comprehensive income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's and Company's financial assets at amortised cost include trade and other receivables (not subject to provisional pricing) and cash and cash equivalents.

Derecognition

A financial asset is primarily derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group and Company have transferred their rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group and Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and Company expect to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

After initial recognition, trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process.

Derecognition

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

Cash and cash equivalents

The Company considers any cash on short-term deposits and other short-term investments to be cash and cash equivalents.

Share capital

The Company's ordinary shares of nominal value £0.01 each ("Ordinary Shares") are recorded at such nominal value and proceeds received in excess of the nominal value of Ordinary Shares issued, if any, are accounted for as share premium. Both share capital and share premium are classified as equity. Costs incurred directly to the issue of Ordinary Shares are accounted for as a deduction from share premium, otherwise they are charged to the income statement.

Current and deferred income tax

Tax represents income tax and deferred tax. Income tax is based on profit or loss for the year. Taxable profit or loss differs from the loss for the year as reported in the Consolidated Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items of income or expense that are never taxable or deductible. The liability for current tax is

calculated using tax rates that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the intention is to settle current tax assets and liabilities on a net basis.

Share based payments

The fair value of services received in exchange for the grant of share warrants is recognised as an expense in share premium or profit or loss, in accordance with thenature of the service provided. A corresponding increase is recognised in equity.

Judgements and key sources of estimation uncertainty

The preparation of the Financial Statements in conformity with IFRS requires the directors to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, may not accurately reflect the related actual outcome. Share options and warrants are measured at fair value at the date of grant. The fair value is calculated using the Black Scholes method for both options and warrants as the management views the Black Scholes method as providing the most reliable measure of valuation.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. The determination of fair value is based on key assumptions involving estimation of the probability of meeting each performance target and the timing thereof. As part of the acquisition of Lady Alice Mines Pty Ltd, contingent consideration with an estimated fair value of £296,536 was recognised at the acquisition date. See note 17 for further details. The Group is required to remeasure the contingent liability at fair value at each reporting date with changes in fair value recognised in accordance with IFRS 9. Therefore, as at 31 December 2020, the contingent consideration reflects an estimated fair value of £322,691.

2. EXPENSES BY NATURE

	31 December 2020 £	31 December 2019 £
This is stated after charging/(crediting):		
Administrative expense	93,171	85,964
Corporate expense	488,450	275,327
Finance expense	39,755	(19,017)
Other Income	(50,280)	-
Professional fees	2,833	-
Wages & Salaries expense	271,477	326,626
	845,404	**668,900**

***** Amounts payable to PKF Littlejohn LLP by the Company in respect of non-audit services was £nil (2019: £25,600) net of VAT in relation to work as reporting accountants for listing on the main market of the London Stock Exchange.

3. SEGMENT INFORMATION

The Group's prime business segment is mineral exploration.

The Group operates within two geographical segments, the United Kingdom and Australia. The UK sector consists of the parent company which provides administrative and management services to the subsidiary undertaking based in Australia.

The following tables present expenditure and certain asset information regarding the Group's geographical segments for the years ended 31 December 2020 and 2019:

Operational Results	**31 December 2020 £**	**31 December 2019 £**
Revenue	-	-
Loss after taxation		
- United Kingdom	(878,753)	(638,190)
- Australia	(127,997)	(30,170)
Total	(1,006,750)	(668,900)

2020	**Australia £**	**United Kingdom £**	**Total £**
Non-current assets	1,495,519	2,400	1,497,919
Current assets	574,953	833,306	1,408,259
Total liabilities	(73,678)	(607,048)	(680,726)
2019			
Non-current assets	612,242	3,428	615,670
Current assets	10,254	34,854	45,108
Total liabilities	(13,993)	(988,112)	(1,002,105)

4. DIRECTORS' EMOLUMENTS

There were no employees during the period apart from the directors, who are the key management personnel. No directors had benefits accruing under money purchase pension schemes.

Year ended 31 December 2020	**Remuneration £**	**Fees £**	**Bonus £**	**Share Based payment £**	**Total £**
C Moulton	128,539	-	-	51,188	**179,727**
R Gerritsen	-	6,121	-	12,000	**18,121**
G Hancock	-	22,167	-	-	**22,167**
D Maling	10,584	3,000	-	-	**13,584**
D Clarke	-	13,667	-	-	**13,667**
	139,123	**44,955**	**-**	**63,188**	**247,266**

· During the year £179,727 (2019: £118,500) was paid to Craig Moulton in respect of Wages & Salaries and Share based payments. The share based payments include £21,188 for 2,118,750 shares in lieu of director fees and £30,000 for 2,000,000 shares per his employment contract.

- During the year £18,121 (2019: £160,300) was paid to RCA Associates Ltd, a company of which Rolf Gerritsen is a director, in respect of Directors fees, consultancy services & share based payments. The share based payments include £12,000 for 1,200,000 shares in lieu of director fees.
- During the year £22,167 (2019: £26,167) was paid to Hancock Corporate Investments Pty Ltd, a company in which Greg Hancock is a Director, in respect of Directors fees and consultancy services.
- During the year £13,584 (2019: £nil) was paid to Dan Maling, in respect of Wages & Salaries and Directors fees.
- During the year £13,667 (2019: £nil) was paid to The Springton Trust, a trust in which David Clarke is a Trustee, in respect of Directors fees and consultancy services.

Year ended 31 December 2019	Remuneration £	Fees £	Bonus £	Severance £	Total £
C Moulton	25,000	93,500	-	-	**118,500**
R Gerritsen	43,000	117,300	-	-	**160,300**
G Hancock	6,667	9,500	10,000	-	**26,167**
K Watson	-	-	-	21,660	**21,660**
	74,667	**220,300**	**10,000**	**21,660**	**326,627**

- During the year £118,500 (2018: £nil) was paid to Moulton Metals Pty Ltd, a company in which Craig Moulton is a Director, in respect of Directors fees and consultancy services. At the year end, £51,756 is included in trade payables. Of this amount he received 2,118,750 shares in lieu of director fees and 2,500,000 shares per his employment contract.
- During the year £130,300 (2018: £48,000) was paid to RCA Associates Ltd, a company of which Rolf Gerritsen is a director, in respect of Directors fees and consultancy services. During the year £30,000 (2018: £nil) was paid to RCA Associates Ltd, for Rolf Gerritsen's assistance with the acquisition of Lady Alice Mines Pty Ltd.
- During the year £26,167 (2018: £nil) was paid to Hancock Corporate Investments Pty Ltd, a company in which Greg Hancock is a Director, in respect of Directors fees and consultancy services.
- Ken Watson received £13,663 (AUD 25,000) in cash and £7,997 (AUD 15,000) in shares as part of a settlement agreement upon his resignation as Director of the Company.

5. INCOME TAXES

a) Analysis of tax in the period

	31 December 2020 £	31 December 2019 £
Current tax	-	-
Deferred taxation	-	-
	-	-

b) Factors affecting tax charge or credit for the period

The tax assessed on the loss on ordinary activities for the period differs from the standard rate of corporation tax in the UK of 19% (2019: 19%) and Australia of 27.5% (2019: 27.5%). The differences are explained below:

	31 December 2020 £	31 December 2019 £
Loss on ordinary activities before tax	(1,006,750)	(668,900)
Loss multiplied by weighted average applicable rate of tax	(234,069)	(155,915)

Effects of:		
Expenses not deductible for tax		28,923
Losses carried forward not recognised as deferred tax assets	234,069	126,992
	-	-

The weighted average applicable tax rate of 23.25% (2019: 23.25%) used is a combination of the standard rate of corporation tax rate for entities in the United Kingdom of 19% (2019: 19%), and 27.5% (2019: 27.5%)in Australia.

6. EARNINGS PER SHARE

Basic and diluted loss per share is calculated by dividing the loss attributed to ordinary shareholders of £1,006,750 (2019: £668,900 loss) by the weighted average number of shares of 282,956,585 (2019: 67,233,532) in issue during the year.

The basic and dilutive loss per share are the same as the effect of the exercise of share warrants and options would be anti-dilutive.

7. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

	Investments	Loans	Total
Company	**£**	**£**	**£**
At 1 January 2020	432,260	-	432,260
At 31 December 2020	432,260	-	432,260

Investments in Group undertakings are stated at cost less impairment. In 2019 the Company acquired 100% of the issued share capital of Lady Alice Mines Pty Ltd and in turn, 100% of the units in the Lady Alice Trust which is wholly owned by Lady Alice Mines Pty Ltd.

At 31 December 2020 the Company held the following interests in subsidiary undertakings, which are included in the consolidated financial statements and are unlisted.

Name of company	Registered office address	Proportion held	Business
Lady Alice Mines Pty Ltd	Level 2, 1-5 Walker Avenue, West Perth, WA, Australia	100%	Mining
Lady Alice Mines Unit Trust[1]	Level 2, 1-5 Walker Avenue, West Perth, WA, Australia	100%	Mining

[1]Lady Alice Mines Unite Trust is a wholly owned entity of Lady Alice Mines Pty Ltd.

8. INTANGIBLE FIXED ASSETS

Intangible assets comprise exploration and evaluation costs. Exploration and evaluation assets are all internally generated except for those acquired at fair value as part of a business combination.

	Total
Group	**£**
At 1 January 2019	-
Acquired at fair value	606,560
Additions	5,660
At 1 January 2020	612,242
Additions	883,277
At 31 December 2020	1,495,519

	Total
Company	**£**

At 1 January 2019	-
Acquired at fair value	-
Additions	-
At 1 January 2020	-
Additions	33,251
At 31 December 2020	33,251

As at 31 December 2020 there was £33,251 in drilling services performed and to be settled in shares. The shares were issued post balance date in April 2021. As at 31 December 2020 these drilling services have been recognised as an accrued liability in advance of shares being issued.

The Directors undertook an assessment of the following areas and circumstances that could indicate the existence of impairment:

• The Group's right to explore in an area has expired, or will expire in the near future without renewal;
• No further exploration or evaluation is planned or budgeted for;
• A decision has been taken by the Board to discontinue exploration and evaluation in an area due to the absence of a commercial level of reserves; or
• Sufficient data exists to indicate that the book value will not be fully recovered from future development and production.

Following their assessment, the Directors concluded that no impairment charge was necessary for the year ended 31 December 2020.

9. PROPERTY, PLANT AND EQUIPMENT - Group and Company

2020	**Office Equipment**	**Total**
Cost	**£**	**£**
At 31 December 2019	4,407	4,407
Additions during the year	-	-
At 31 December 2020	**4,407**	**4,407**
Depreciation		
At 31 December 2019	(979)	(979)
Charge for the year	(1,028)	(1,028)
At 31 December 2020	**(2,007)**	**(2,007)**
Net book value		
At 31 December 2020	**2,400**	**2,400**

2019	**Office Equipment**	**Total**
Cost	**£**	**£**
At 31 December 2018	-	-
Additions during the year	4,407	4,407
At 31 December 2019	**4,407**	**4,407**
Depreciation		
At 31 December 2018	-	-
Charge for the year	(979)	(979)
At 31 December 2019	**(979)**	**(979)**
Net book value		
At 31 December 2019	**3,428**	**3,428**

10. TRADE AND OTHER RECEIVABLES

	Group	**Group**	**Company**	**Company**

	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Current	**£**	**£**	**£**	**£**
Prepayments	-	32,890	-	32,890
Intercompany debtors	-	-	1,637,335	208,413
Goods & Services Tax	70,266	4,307	-	-
Other debtors	(858)	236	(858)	215
	69,408	37,433	1,636,477	241,518

The fair value of trade and other receivables approximates to their book value. Other classes of financial assets included within trade and other receivables do not contain impaired assets.

The carrying amounts of the Group and Company's trade and other receivables are denominated in the following currencies:

	Group 31 Dec 2020	Group 31 Dec 2019	Company 31 Dec 2020	Company 31 Dec 2019
	£	**£**	**£**	**£**
UK pounds	(858)	33,126	1,636,477	241,518
Australian dollars	70,266	4,307	-	-
		37,433		
	69,408		1,636,477	241,518

11. CASH AND CASH EQUIVALENTS

	Group 31 Dec 2020	Group 31 Dec 2019	Company 31 Dec 2020	Company 31 Dec 2019
	£	**£**	**£**	**£**
Cash at bank and in hand	1,338,851	7,675	834,164	1,749
	1,338,851	7,675	834,164	1,749

The fair value of cash at bank is the same as its carrying value.

The carrying amounts of the Group and Company's cash and cash equivalents are denominated in the following currencies:

	Group 31 Dec 2020	Group 31 Dec 2019	Company 31 Dec 2020	Company 31 Dec 2019
	£	**£**	**£**	**£**
UK pounds	834,164	1,749	834,164	1,749
Australian dollars	504,687	5,926	-	-
	1,338,851	7,675	834,164	1,749

12. TRADE AND OTHER PAYABLES

	Group 31 Dec 2020	Group 31 Dec 2019	Company 31 Dec 2020	Company 31 Dec 2019
Current	**£**	**£**	**£**	**£**
Trade creditors	94,985	266,509	35,960	263,473
Share subscriptions paid in advance	-	35,700	-	35,700
GST collected	4,437	3,784	-	-
Accruals and deferred income	59,676	130,559	59,676	123,387

Other payables	10,215	-	-	-
	169,314	436,553	95,636	422,560

The fair value of trade and other payables approximates to their book value.

The carrying amounts of the Group and Company's trade and other payables are denominated in the following currencies:

	Group 31 Dec 2020 £	Group 31 Dec 2019 £	Company 31 Dec 2020 £	Company 31 Dec 2019 £
UK pounds	95,636	422,560	95,636	422,560
Australian dollars	73,677	13,993	-	-
		436,553		
	169,314		95,636	422,560

13. DEFERRED CONSIDERATION

2019 Group and Company	Total £
Amounts payable under business combination	565,552
At 31 December 2019	565,552
Categorised as:	
Current liabilities	215,486
Non-current liabilities	350,066

Refer to note 17 for further detail.

2020 Group and Company	Total £
Amounts payable under business combination	511,412
At 31 December 2020	511,412
Categorised as:	
Current liabilities	188,721
Non-current liabilities	322,691

During the year 2020, there has been a movement in the Deferred Consideration of £54,140. The movement is a reflection of the Consideration shares paid to the previous Lady Alice Mines unit holders as agreed upon at time of acquisition, and a revised to the value of contingent consideration based on a revision to the underlying assumptions used in determining estimated value. The Deferred consideration as at 31 December 2020 of £511,412, reflects the amount still outstanding.

Movements for the year	Total £
At 31 December 2019	565,552
Consideration paid during the year	(215,486)
Change in estimate of contingent consideration	161,346

At 31 December 2020	511,412

Refer to note 17 for further detail.

14. SHARE CAPITAL

	Dec 2020 Number of shares	Dec 2020 £	Dec 2019 Number of shares	Dec 2019 £
Issued, called up and fully paid				
Ordinary shares of £0.01	282,956,585	2,829,565	67,233,532	672,335
Total	282,956,585	2,829,565	67,233,532	672,335

As at 31 December 2020 the Company had 127,796,891 warrants outstanding (2019: 63,351,916).

Each ordinary share is entitled to one vote in any circumstances. Each ordinary share is entitled pari passu to dividend payments or any other distribution and to participate in a distribution arising from a winding up of the Company.

15. SHARE BASED PAYMENTS

2020

Warrants

	Warrants Number	Weighted average exercise price
Warrants at 31 December 2019	63,351,916	0.02p
Granted during year	109,374,168	0.03p
Exercised during year	(29,812,693)	0.02p
Lapsed during year	(15,116,500)	0.02p
Warrants at 31 December 2020	127,796,891	0.02p
Exercisable at year end	127,796,891	0.02p

At 31 December 2020 the weighted average remaining contractual life of the warrants outstanding was 1.39 years.

2019

Warrants

	Warrants Number	Weighted average exercise price
At incorporation	-	-
Issued during the year	63,351,916	0.02p
Warrants at 31 December 2018	63,351,916	0.02p

Warrants at 31 December 2019	63,351,916	0.02p
Exercisable at year end	63,351,916	0.02p

At 31 December 2019 the weighted average remaining contractual life of the warrants outstanding was 1 year.

2020

Options

	Options Number	Weighted average exercise price
Options at 31 December 2019	1,344,672	0.015p
Issued during the period	15,000,000	0.033p
Exercised during the year	(672,336)	0.015p
Options at 31 December 2020	15,672,336	0.033p
Exercisable at year end	672,336	0.015p

At 31 December 2020 the weighted average remaining contractual life of the options outstanding was 4.43 years.

2019

Options

	Options Number	Weighted average exercise price
At incorporation	-	-
Issued during the year	-	-
Options at 31 December 2018	-	-
Issued during the period	1,344,672	0.015p
Options at 31 December 2019	1,344,672	0.015p
Exercisable at year end	672,336	0.015p

At 31 December 2019 the weighted average remaining contractual life of the options outstanding was 3 years.

The fair value of equity settled share options and warrants granted is estimated at the date of grant using a Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were

granted. The following table lists the inputs to the model:

	Options	Warrants	Warrants
Date of grant	14 July 2020	16 January	29 October
Expected volatility	94.59%	2020	2020
Expected life	5	23.39%	108.75%
Risk-free interest	0.10%	2	2
rate	0.00%	0.75%	0.10%
Expected dividend		0.00%	0.00%
yield	£0.008		
Fair value per		£0.0003	£0.014
option/warrant			

16. FINANCIAL INSTRUMENTS

	Group 31 Dec 2020 £	Group 31 Dec 2019 £	Company 31 Dec 2020 £	Company 31 Dec 2019 £
Financial assets at amortised cost				
Trade and other receivables excluding prepayments	69,408	4,543	1,636,477	208,628
Cash and cash equivalents	1,338,851	7,675	834,164	1,749
	1,408,259	12,218	2,470,641	210,377
Financial liabilities				
Trade and other payables (at amortised cost)	(109,638)	(305,993)	(35,960)	(299,173)
Deferred consideration (at FVPL)	(511,412)	(565,552)	(511,412)	(565,552)
	(621,050)	(871,545)	(547,372)	(864,725)

17. BUSINESS COMBINATION

Lady Alice Mines Pty Ltd

On 7 March 2019, the Company acquired 100% of the share capital of Lady Alice Mines Pty Ltd ('LAM') and its wholly owned subsidiary The Lady Alice Trust (the 'Trust'), for total consideration of £432,262 which is to be satisfied via a mix of cash and share consideration which is shown below. In addition, the Company agreed to settle existing liabilities due to unitholders of the Trust of up to A$250,000. The share based payment consideration was settled on 16 January 2020 upon the successful re-admission to the London's Stock Exchange Main Market. 10,815,297 shares were issued at a close price of 1.25p.

The Trust has an entitlement to earn a 75% equity interest in tenements near Wudinna in South Australia for gold exploration (the 'Wudinna Agreement'), and is also the sole owner of the right, title and interest in the Prince Alfred Licence, a formerly producing copper mine.

The principal terms of the Wudinna Agreement are as follows:

- Stage 1: the Trust will fund A$2.1 million within three years to earn a 50% equity position
- Stage 2: at the completion of Stage 1, a joint venture vehicle can be formed, or alternatively the Trust can spend a further A$1.65 million over an additional two years to earn a 65% equity interest
- Stage 3: at the completion of Stage 2, a joint venture vehicle can be formed, or alternatively the Trust can spend a further A$1.25 million within one year to earn a 75% equity interest

The contingent consideration is due to the unitholders on satisfying the following project milestones:

- First Option - 14% of the total issued share capital on completion of Stage 1
- Second Option - 21% of the total issued share capital on completion of Stage 2
- Third Option - 30,000,000 ordinary shares on announcement of a JORC-compliant Indicated Mineral Resource for the Wudinna Project of not less than 750,000 ounces of gold

The Directors have calculated the consideration payable on a probability basis of satisfying the project milestones in accordance with IFRS 3 Business Combinations. The Directors have also estimated the number of shares to be issued at each milestone and the share price. This has been fixed at the number of consideration shares issued at the time of the RTO and the share price at that time. Management believe this is a best estimate.

The following table summarises the consideration paid for LAM and the values of the assets and equity assumed at the acquisition date.

Total consideration	**£**
Cash	553
Share based payments at RTO	135,191
Contingent consideration	296,536
	432,262

Recognised amounts of assets and liabilities acquired	**£**
Cash and cash equivalents	12,169
Exploration assets (note 8)	606,560
Trade and other payables	(186,467)
Total identifiable net assets	**432,262**

18. RELATED PARTY TRANSACTIONS

Save as disclosed below there were no related party transactions during the year other than remuneration to Directors disclosed in note 4.

During the year, the Group paid £6,928 in respect of rent to AusQuest, a company in which Gregory Hancock is a Director.

During the year, the Group paid £21,300 in respect of project management services to Orana Corporate LLP, a company in which Daniel Maling is a Partner.

As at 31 December 2020, included in the other receivables is £1,637,335 due from Lady Alice Mines Pty Ltd, a subsidiary company. The loan is interest free and repayable on demand.

19. POST YEAR END EVENTS

On 11 January 2021, the Company issued a total of 32,383,152 new ordinary shares pursuant to completion of Stage 1 earn-in of the Wudinna Gold Project, with 31,049,819 shares at 2.4 pence per share being issued in accordance with the acquisition agreement to the vendors of Lady Alice Trust and Lady Alice Mines Pty Ltd, and 1,333,333 shares at 1.5 pence per share issued to the Company's CEO in accordance with the terms of his service agreement.

On 28 January 2021, the Company issued 1,934,800 new ordinary shares pursuant to the exercise of warrants, with 934,800 shares at a price of 3 pence per share and 1,000,000 shares at a price of 2 pence per share.

On 18 and 19 of February 2021, the Company issued 2,333,334 new ordinary shares and 1,666,667 new ordinary shares respectively, at 2 pence per share, pursuant to the exercise of warrants.

On 29 April 2021, the Company issued a total of 7,110,053 new ordinary shares, with 5,664,340 shares being issued at 1 pence per share to the vendors of Lady Alice Trust and Lady Alice Mines Pty Ltd in accordance with the acquisition agreement for the Wudinna Gold Project, and 1,445,713 shares at 2.3 pence per share to a drilling contractor in settlement of a contractual agreement in respect of the provision of service.

20. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.

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