

**Petratherm Limited**

**ABN 17 106 806 884**

**Annual Report - 30 June 2020**

**Petratherm Limited**  
**Corporate directory**  
**30 June 2020**

Directors	Derek Carter Simon O'Loughlin Donald Stephens
Company secretary	Donald Stephens
Registered office	C/- HLB Mann Judd (SA) Pty Ltd 169 Fullarton Road DULWICH SA 5065
Principal place of business	C/- HLB Mann Judd (SA) Pty Ltd 169 Fullarton Road DULWICH SA 5065
Share register	Computershare Investor Services Pty Ltd Level 5, 115 Grenfell Street ADELAIDE SA 5000
Auditor	Grant Thornton Audit Pty Ltd Level 3, 170 Frome Street ADELAIDE SA 5000
Solicitors	O'Loughlins Lawyers Level 2, 99 Frome Street ADELAIDE SA 5000
Bankers	National Australia Bank 22 - 28 King William Street ADELAIDE SA 5000
Stock exchange listing	Petratherm Limited shares are listed on the Australian Securities Exchange (ASX code: PTR)
Website	<a href="http://www.petratherm.com.au">www.petratherm.com.au</a>

**Petratherm Limited**

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**Petratherm Limited**  
**Directors' report**  
**30 June 2020**

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Petratherm Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2020.

**Information on Directors**

The following persons were Directors of Petratherm Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Name:	Derek Carter
Title:	Non-Executive Chairman
Qualifications:	BSc, MSc, FAusIMM
Experience and expertise:	Mr. Carter has over 40 years' experience in exploration and mining geology and management. He held senior positions in the Shell Group of Companies and Burmine Ltd before founding Minotaur Gold Ltd in 1993.

Mr. Carter is a former President of the South Australian Chamber of Mines and Energy, former board member of the Australian Gold Council and a former Chairman of the Minerals Exploration Advisory Group.

Mr. Carter is also a former member of the South Australian Minerals and Energy Council as well as a current member of the South Australian Minerals and Petroleum Experts Group. He was awarded AMEC's Prospector of the Year Award (jointly) in 2003 and is a Centenary Medallist.

Other current directorships:	Hillgrove Resources Limited (appointed April 2020)
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Former directorships (last 3 years):	Highfield Resources (from October 2012 to May 2019)
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Special responsibilities:	Member of the Audit and Risk Committee
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Interests in shares:	1,311,167 ordinary shares
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Interests in options:	1,000,000 unlisted options
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**Petratherm Limited**  
**Directors' report**  
**30 June 2020**

Name:	Simon O'Loughlin
Title:	Non-Executive Director
Qualifications:	BA(Acc), Law Society Certificate in Law
Experience and expertise:	<p>Simon O'Loughlin is the founder of O'Loughlins Lawyers, an Adelaide based, specialist commercial law firm. He has extensive experience in the corporate and commercial law fields while practising in Sydney and Adelaide, and also holds accounting qualifications.</p> <p>Mr O'Loughlin has extensive experience and involvement with companies in the small industrial and resources sectors. He has also been involved in the listing and back-door listing of numerous companies on the ASX. He is a former Chairman of the Taxation Institute of Australia (SA Division) and Save the Children Fund (SA Division).</p>
Other current directorships:	<p>Bod Australia Limited</p> <p>Chesser Resources Limited</p> <p>Stellar Resources Limited</p>
Former directorships (last 3 years):	<p>Oklo Resources Limited (from December 2018 to November 2019)</p> <p>Arc Exploration Limited (from October 2016 to May 2018)</p> <p>Odin Metals Limited (formerly Lawson Gold Limited) (from July 2013 to February 2018)</p>
Special responsibilities:	Chair of the Audit and Risk Committee
Interests in shares:	2,240,401 ordinary shares
Interests in options:	1,000,000 unlisted options

**Petratherm Limited**  
**Directors' report**  
**30 June 2020**

Name: Donald Stephens  
 Title: Non-Executive Director and Company Secretary  
 Qualifications: BA(Acc), FCA

Experience and expertise: Donald Stephens is a Chartered Accountant and corporate advisor with over 25 years' experience in the accounting, mining and services industries, including 14 years as a partner of HLB Mann Judd (SA), a firm of Chartered Accountants. He is a Chartered Accountant and corporate adviser specialising in small cap ASX listed entities. Additionally, he is the Company Secretary of Highfield Resources Limited.

Other current directorships: -  
 Former directorships (last 3 years): Odin Metals Limited (formerly Lawson Gold Limited) (from July 2013 to February 2018)

Mithril Resources Limited (from April 2002 to May 2019)

Special responsibilities: Gooroo Ventures Limited (from July 2016 to January 2020)  
 Member of the Audit and Risk Committee

Interests in shares: 2,332,733 ordinary shares

Interests in options: 1,000,000 unlisted options

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

## **Principal activities**

During the financial year the principal continuing activities of the Group consisted of:

- Completed regional gravity surveying over the Company's 2852 km<sup>2</sup> Mabel Creek Project Holding in South Australia which identified numerous Olympic Dam Style Copper and Gold geophysical targets.
- Subsequent drilling activities of 4 targets, encountered pervasive Iron Oxide Copper-Gold (IOCG) style alteration, warranting follow up testing and numerous high priority gravity and/or magnetic targets remain to be drill tested.
- \$182,000 South Australian Government Exploration Development Initiative Grant Awarded to assist drilling of Olympic Dam Style Copper-Gold targets at Mabel Creek.
- Comet Gold Project (SA), prospective for Challenger-style high-grade gold, tenement granted. Comet Prospect includes multiple shallow gold intersections, which are open at depth and along strike.
- Petratherm entered into an agreement to acquire up to an 80% interest, with further provisions to potentially acquire a 100% interest in the Glenfine Gold Project, in the central Victorian Goldfields, close to the world class Ballarat (13.1 Moz) and Berringa (1.0 Moz) goldfields. The Glenfine area has historic gold production of approximately 400,000 oz.
- Yuengroon (EL 6897), a large licence area covering 683 km<sup>2</sup>, over a portion of the highly prospective Bendigo Gold Zone in Victoria was granted. Soil geochemical surveys over shallow cover areas identified 6 extensive high magnitude and area extensive, arsenic soil anomalies which may be an indication of gold mineralisation in the bedrock below.
- Ballarat West (EL007276) licence application secured, covering a 439 km<sup>2</sup> area over the Central Victorian Goldfields, between major historic mine production centres of Ballarat, Creswick, and Clunes.
- Exploration Licence Application EL007280 ("Wedderburn North") acquired over portion of the historic north Wedderburn Goldfield. The Tenement abuts Petratherm's granted EL006897 ("Yuengroon Project") and is along trend of recently defined gold pathfinder soil anomalies.
- Petratherm has built over the last 12 months a strong ground position in the resurgent Victorian Goldfields, and these projects will be a key focus for the Company moving forward.

## **Review of operations**

The loss for the Group after providing for income tax amounted to \$455,012 (30 June 2019: \$678,169). The Company has continued to strategically develop a project portfolio in world-class mineral provinces.

During June 2020 the Group dissolved Oberon Resources US Inc., their wholly-owned subsidiary company in the United States.

In South Australia, the Mabel Creek Copper Gold Project comprises 4 granted tenements (EL's 6332, 6333, 6404 & 6405) totalling 2,852 km<sup>2</sup> (Figure 1). The Mabel Creek Ridge, 50 kilometres northeast of Coober Pedy in South Australia, is considered prospective for Olympic Dam Style Copper-Gold mineralised systems and related magnetite skarn copper and high value rare-earths. The region has only been lightly explored historically and Petratherm's has been active during the period undertaking Native Title work, regional gravity surveying to define targets and finally drilling activities.

Drilling of the Area 5 North Prospect intersected pervasive Iron Oxide Copper-Gold (IOCG) style alteration and warrants further geophysical surveying and test drilling. In March 2020, a \$182,000 South Australian Government Exploration Development Initiative Grant was awarded to assist future drilling of Olympic Dam Style Copper-Gold targets at Mabel Creek. Numerous high priority gravity and/or magnetic targets remain to be drill tested.

The Comet Project (EL6443), in the Gawler Craton of South Australia, was won through a South Australian Government managed competitive bid process. The tenement is prospective for Challenger-style high-grade gold and the land holding includes the Comet Gold Prospect which has only been partially drill tested and includes multiple shallow gold intersections, which are open at depth and along strike.

The Company continued to build a strong ground position in the resurgent Victorian Goldfields, and these projects will be a key focus for the Company moving forward. The Yuengroon Project (EL 6897) was granted in October 2019 allowing ground exploration works to begin. Geochemical surveys identified 6 high magnitude and extensive area, arsenic soil anomalies, which may be an indication of gold mineralisation in the bedrock below and these targets are drill ready. Two new tenement applications were acquired in the Central Victorian goldfields, Ballarat West (EL7276) and Wedderburn North (EL 7280).

In early July just after the current reporting period, the Company entered into a Farm-in and Joint Venture Agreement on the Glenfine Gold Project, in the Central Victorian Goldfields, which demonstrates potential for both Stawell-Style (basalt dome hosted) gold mineralisation and Ballarat-Style (vein hosted) gold mineralisation. These projects all have recorded significant historical gold production, with the Glenfine Project offering drill ready high-grade gold targets.

### **Impact of Covid-19 on operations**

At the end of March, the Company reduced exploration activities and ceased ground works due to the COVID-19 pandemic. A whole of Company review was performed to minimise ongoing future expenses during the peak of the pandemic. Both the South Australian and Victorian State Governments have since announced deferral of annual tenement rents and provided a wavier to meet current tenement exploration expenditure commitments. The Company resumed their normal exploration activities during June 2020.

Provisions to allow future ground operations to resume are in place with the addition of a range of Covid-19 safety management procedures. Our Victorian ground activities will rely on the sole use of local contractors whilst interstate travel restrictions remain in place.

A summary of ground activities during the period is presented below:



**Table 1** Petratherm Project Tenements (July 2020)

Project	Licence Nos.	Area (Km <sup>2</sup> )	Status	Grant Date	Expiry Date
<b>Mabel Creek Copper Gold Project (South Australia)</b>					
Mt Willoughby	EL 6332	838	Granted	29/03/2019	28/03/2021
Mt Barry	EL 6333	641	Granted	29/03/2019	28/03/2021
Kanku	EL 6404	456	Granted	12/09/2019	11/09/2021
Mt Euee	EL 6405	917	Granted	12/09/2019	11/09/2021
<b>Other - South Australia</b>					
Comet	EL 6443	256	Granted	17/12/19	16/12/21
<b>Victorian Gold Tenements</b>					
Yuengroon	EL 6897	683	Granted	03/10/2019	02/10/24
Silver Spoon	EL 6951	58	Application	TBA	TBA
Ballarat West	EL 7276	439	Application	TBA	TBA
North Wedderburn	EL7280	15	Application	TBA	TBA
<b>Glenfine Gold Project – Farm-in and Joint Venture</b>					
Glenfine	EL5344	31	Granted	18/05/11	17/05/21
Cape Clear	EL5434	63	Granted	26/07/13	25/07/23
Devils Kitchen	EL5537	2	Granted	25/02/15	24/02/21
<b>Pending Surrender</b>					
Paralana	GEL 156	498	Granted	23/11/04	22/11/20

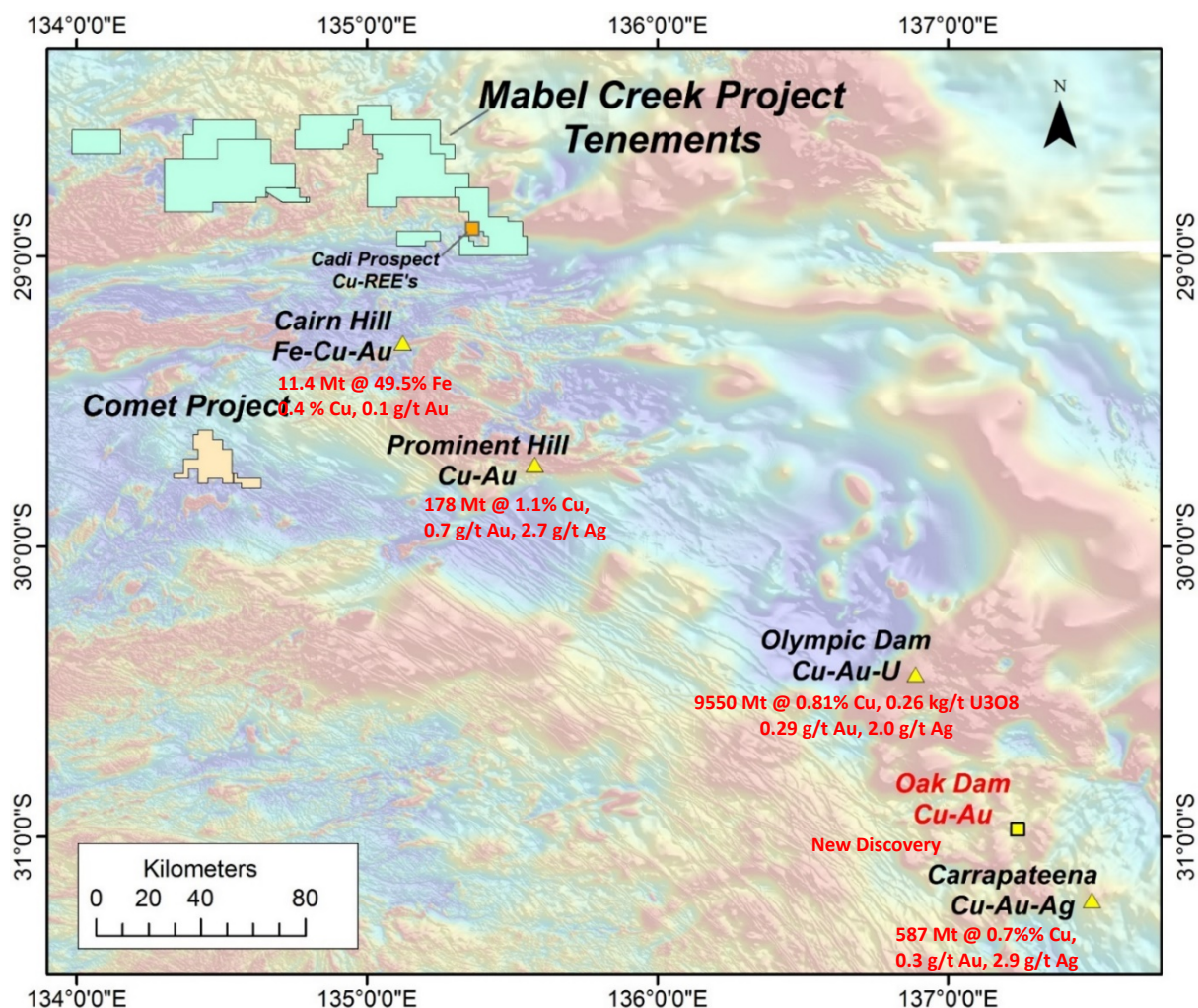
## **Likely developments and expected results of operations**

### **Mabel Creek Project – Targeting Olympic Dam Style, Copper-Gold**

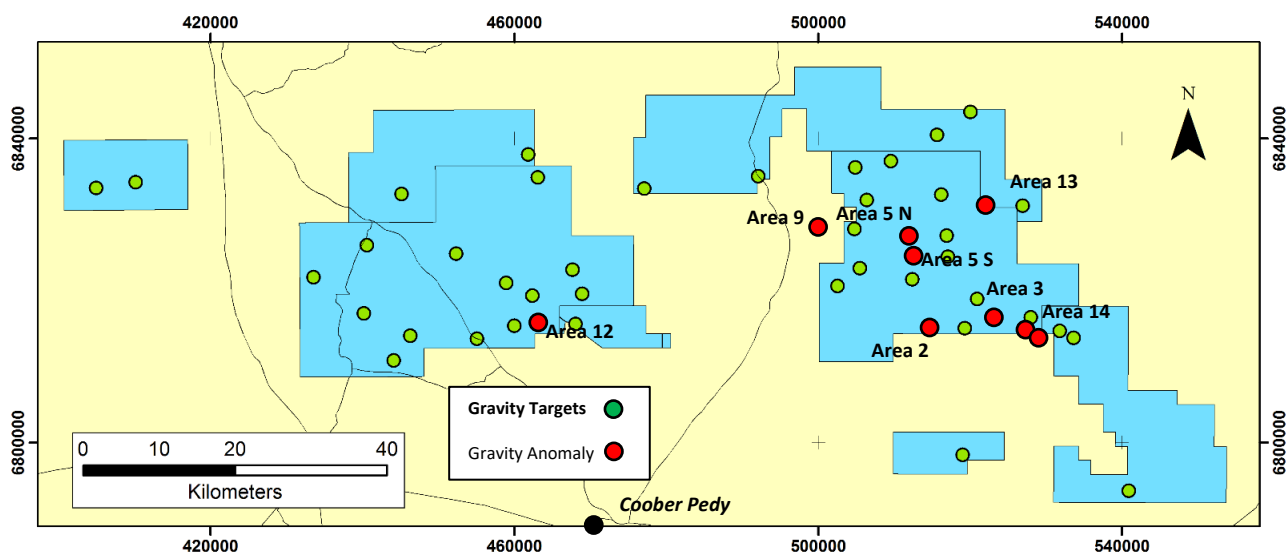
The Mabel Creek Ridge, 50 kilometres northeast of Coober Pedy in South Australia, is considered prospective for Olympic Dam Style Copper-Gold mineralised systems and related magnetite skarn copper and high value rare-earth (Figure 1). The Project comprises four granted tenements (EL's 6332, 6333, 6404 & 6405) totalling 2,852 km<sup>2</sup>.

The Mabel Creek Project spans two Native Title Areas and initial works for the Company centred on establishing a strong relationship and an agreed framework for ground exploration activities. In October 2019, the Company executed a Native Title Mining and Land Access Agreement (NTMA) for Exploration with the Antakirinja Matu-Yankunytjatjara Aboriginal Corporation (AMYAC), which covers the western and central portions of the licence areas. In December 2019, the Company executed a NTMA with the Arabana People who are the Native Title Holders over the eastern licence areas. Subsequent Heritage survey work with both Native Title Holders was completed to allow gravity survey work and initial first pass drill testing of target areas.

Two large regional gravity surveys were completed during August and October 2019 (refer to PTR ASX releases 14/08/2019 and 22/10/2019) to define and rank initial targets. These surveys included infill gravity surveying over selected anomalies identified from the regional work to allow detailed 3D gravity inversion modelling. Several high-amplitude gravity anomalies were defined (Figure 2), with modelled depths to top of the target ranging from 130 metres to 600 metres. A detailed appraisal of the initial ranked targets is present in the Company's December 2019 Quarterly Report (PTR ASX release 30/01/20).



**Figure 1** Location map of Mabel Creek Project Tenements, IOCG mines and related prospects, overlying a reduced to pole aeromagnetic image (compiled from Sth. Aust. Government data).



**Figure 2** Petratherm's Mabel Creek Tenement Holdings and Gravity Target Locations

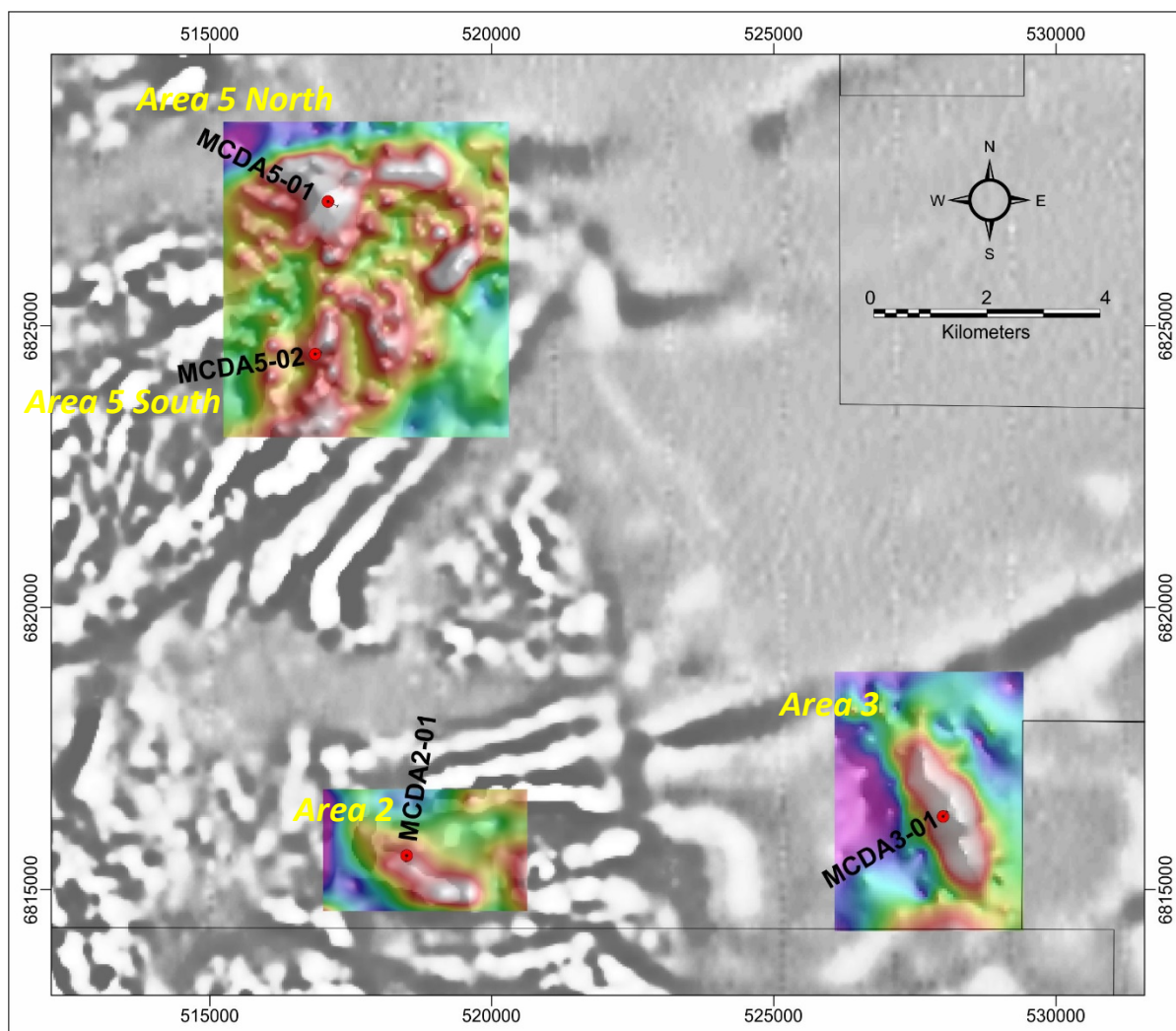
## Mabel Creek Project – Drilling Results

The region has only been lightly explored historically and Petratherm's drill program represents a first pass drill reconnaissance of anomalous gravity and magnetic target areas which previously had no exploration drilling. The drill program successfully tested 4 gravity targets, each with a single hole to planned depths (refer to PTR ASX release 12/5/20 for drilling details).

Drill hole MCDA5-01 tested one part of the large Area 5 magnetic and gravity anomaly, (Figure 3). The hole intersected rocks showing iron-oxide (hematite) enrichment and highly elevated rare earths, typical of IOCG style alteration (refer to PTR ASX release 12/05/20 for details). Independent petrological analysis describes hydrothermal alteration overprinting all rocks at varied levels of intensity and is comparable to moderately deep, moderate to lower temperature Iron Oxide Copper-Gold (IOCG)-type sodic-calcic alteration. This is particularly evident in the consistent presence of dispersed hematite alteration, and in the presence of high intensity calc-silicate (sodic-calcic) skarn-type alteration containing abundant sulphides (refer to PTR ASX release 25/06/20).

Near the base of the hole a 49-metre igneous breccia like zone (not true width) with iron-oxide (hematite) enrichment was intersected from 337.5 metres before passing into altered granite at 386.5 metres (Photo 1). The igneous matrix returned highly elevated concentrations of the light rare earths, cerium, and lanthanum (sampling of the matrix returned up to 1277 ppm Ce+La, refer to PTR ASX release 12/05/20). Trace levels of chalcopyrite were also observed along fractures and as thin (typically 1cm-5cm) bedding parallel disseminations throughout the hole, with one 4 metre interval returning 0.18% copper from 168m (not true width) (refer to PTR ASX release 12/05/20).

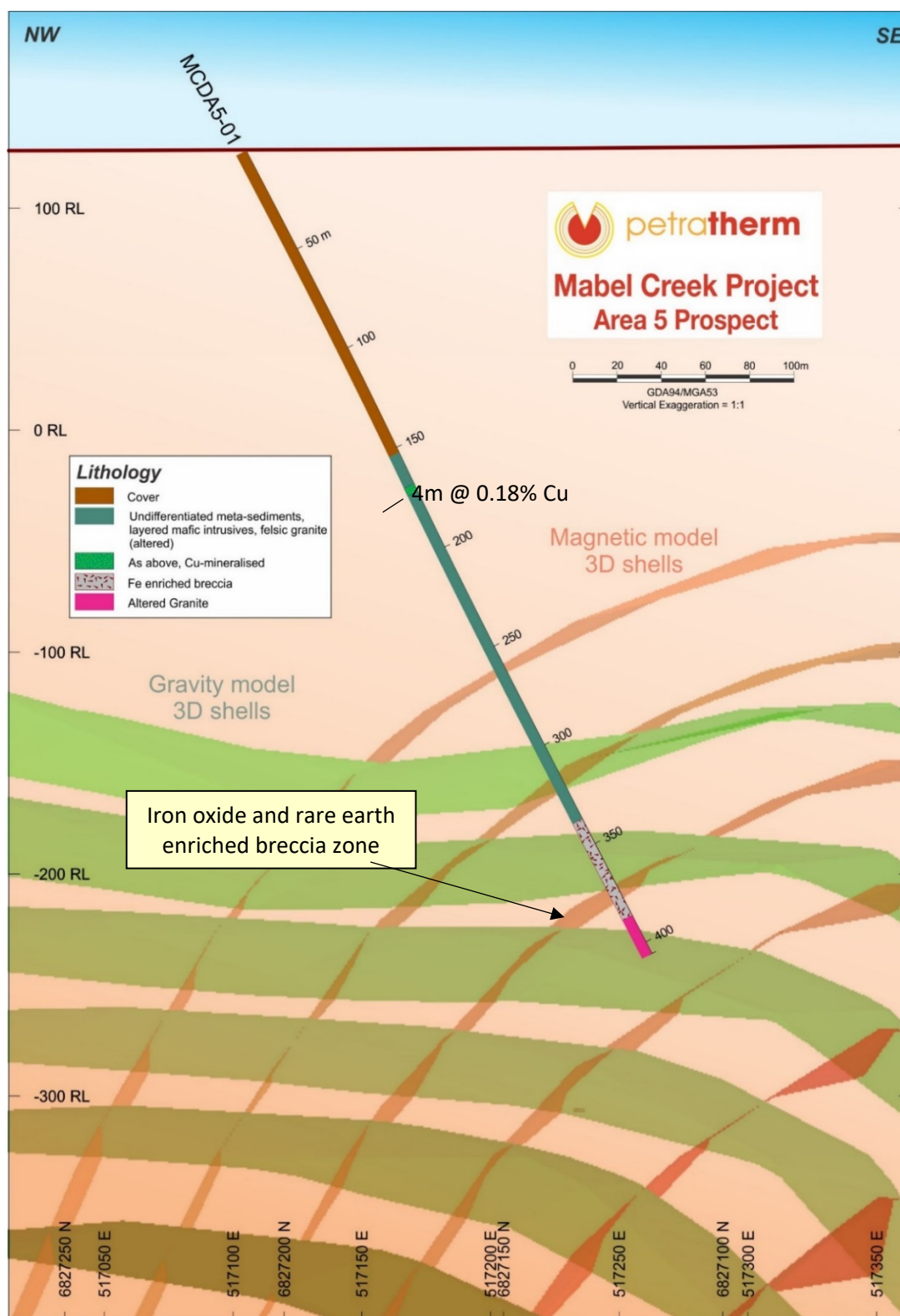




**Figure 3:** 1VD Gravity anomalies drilled, overlain on 2VD Greyscale Magnetic Image



**Photo 1** – Hole ID MCDA5-01 – Photo of core tray box 52, showing a portion of the igneous breccia sequence. The dark matrix comprises chlorite-clay-hematite altered igneous rock. Clasts comprise coarse K-feldspar from the local host granite. The matrix is enriched in the light rare earths, cerium, and lanthanum.



**Figure 4** Cross section Hole ID MCDA5-01, completed in March at the Area 5 Prospect, Mabel Creek Project.

Drill hole MCDA2-01 tested the Area 2 target (Figure 3), a strong magnetic anomaly and combined residual 1 milligal gravity feature within a broader 3 milligal gravity anomaly (refer to PTR ASX release 30/01/2020 for target description). The hole encountered low to moderate sericite-chlorite-biotite-K feldspar alteration and includes minor zones of hematite (iron-oxide) crackle style and bedding parallel veining. The iron-oxide alteration is enriched in light rare earths (up to 457ppm Ce+La from a 4m composite core analysis). Near the base of the hole banded zones of earlier magnetite alteration and increased mafic amphibolite are interpreted to account for the magnetic and gravity target.



Drill hole MCDA3-01 tested the Area 3 gravity target (Figure 3), intersecting basement at 267 metres down hole and drilled a sequence of un-mineralised gabbroic rich rocks accounting for the gravity anomaly. Drill-hole MCDA5-02 which tested a gravity feature in the Area 5 South Prospect zone (Figure 2), intersected weakly altered mafic meta-sedimentary schists accounting for the gravity response.

### ADI Grant Award

In June Petratherm was successful in securing grant funding to a level of \$182,000 through the Accelerated Discovery Initiative (ADI) to assist drilling of Olympic Dam Style Copper Gold geophysical targets on the Company's Mabel Creek Project Area. The ADI program forms part of the South Australian Government's Growth State Agenda and aims to accelerate mineral discovery through innovative exploration and research projects in regional and frontier terrains throughout South Australia.

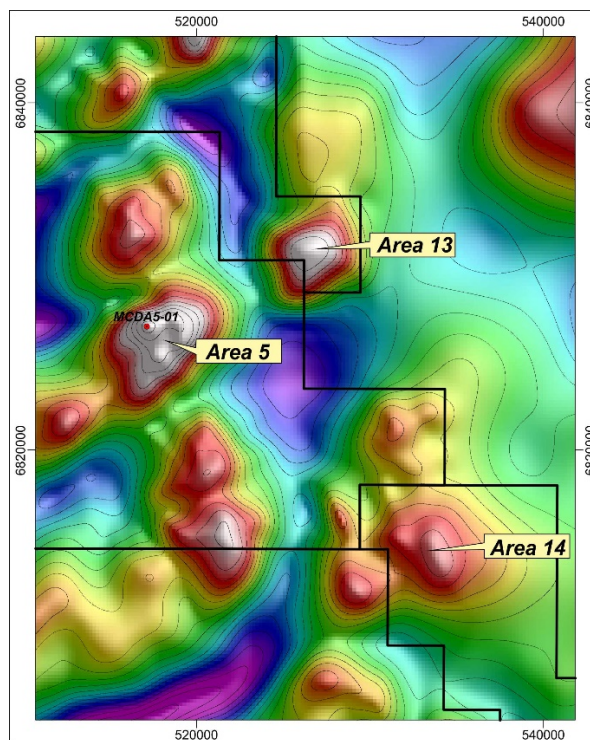
The ADI grant monies will be used to assist drill testing of the Area 13 and 14 IOCG style geophysical targets the Company has defined on the eastern side of the Mabel Creek Project Area where cover thickness increases due to down faulting of the prospective basement rock (Figure 5).

### Mabel Creek - Next Steps

The Company is encouraged by the evidence of IOCG style alteration encountered in its maiden drill campaign at the Area 5 North Target Area. This is a large geophysical anomaly spanning several square kilometres (Figures 3 & 5) and the alteration observed may indicate other portions of this anomaly could be mineralised, warranting further geophysical surveying and test drilling.

Regional gravity survey work has identified a further 4 high priority targets and another 31 early stage gravity targets over the lease areas (Figure 2). At Mabel Creek, most of the gravity anomalies occur under relatively shallow cover (generally less than 200 metres) and are therefore amenable to other forms of geophysical targeting. IP and EM geophysics may be trialled over the Area 5 gravity target and other gravity targets, to directly locate any potential mineralised portions of the gravity anomaly ahead of future drill testing.

Following this work the Company intends to conduct drill testing of Area 5 North Target, the ADI grant supported Area 13 and 14 Anomalies and other targets identified by the follow-up geophysical targeting.



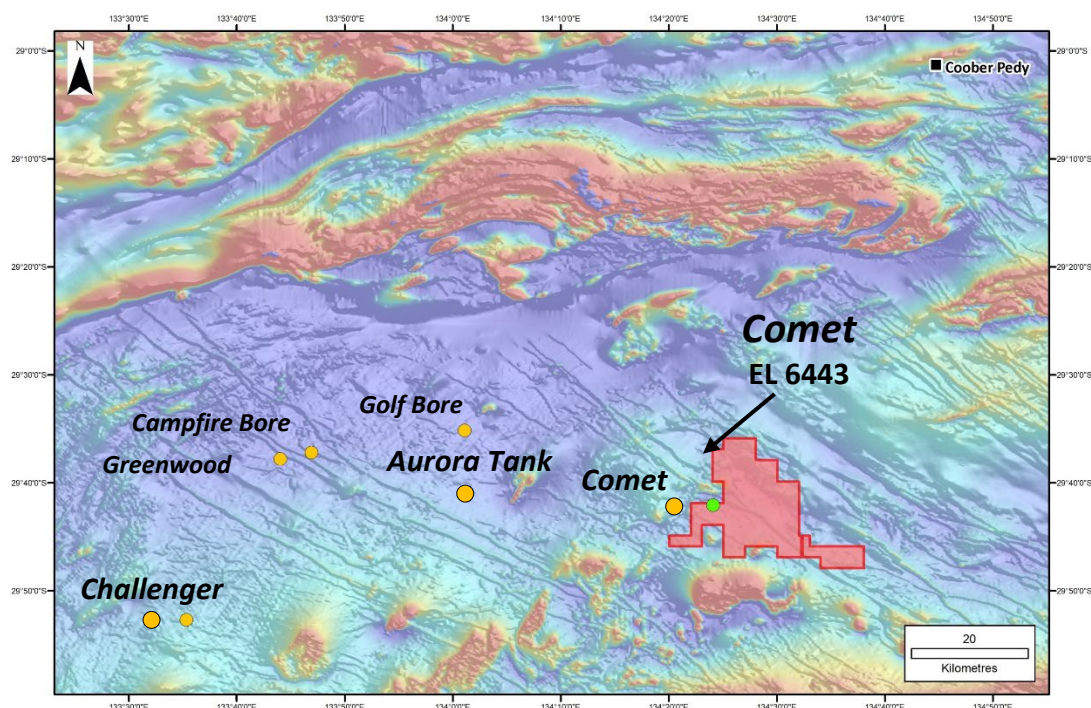
**Figure 5** Mabel Creek Project Area Residual gravity image (0.5 Milligal gravity contours). Area 5 Prospect anomaly and MCDA5-01 collar position shown, along with the Area 13 and 14 gravity targets, which have ADI grant funding.

## Comet (EL 6443) – North Gawler Craton (SA) Gold Potential

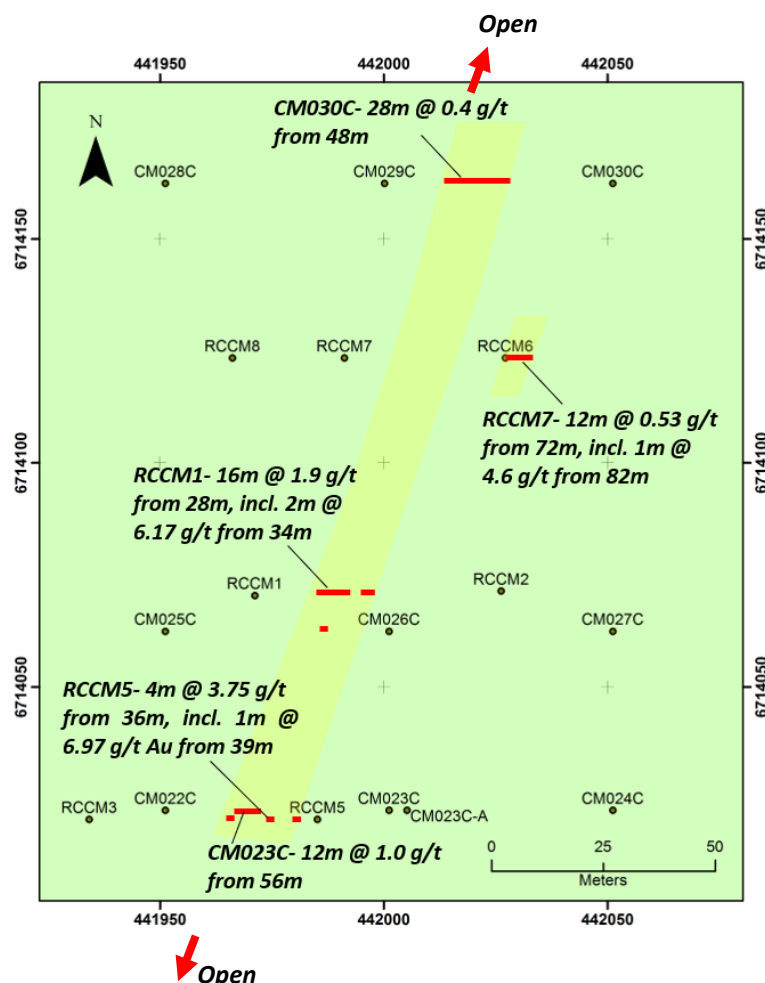
In December, the Comet Project Tenement (EL6443) which was originally won through a South Australian Government managed competitive bid process was granted. The tenement is located within the northern Gawler Craton of South Australia, which hosts numerous significant, gold occurrences, including the Challenger gold deposit (Figure 6), which has a recorded historical production of 1.1 million ounces at an average grade of 5.1g/t.

The tenement includes the Comet Gold Prospect, where limited RC drilling identified a continuous zone of gold intersections, over at least 150 metres of strike, and remains open to the north, south and at depth (Figure 7). Best historical drill intercepts (not true width; refer to PTR ASX release 18/10/19 for historical drilling details) include:

- **CM023C** – 12m @ 1.0 g/t Au from 56m to then end of hole
- **CM030C** – 28m @ 0.4 g/t Au from 48m
- **RCCM1** – 16m @ 1.9 g/t Au from 28m and 8m @ 0.7 g/t Au from 48m  
     Inc. 2m @ 6.17 g/t Au from 30m
- **RCCM5** – 4m @ 3.75 g/t Au from 36m  
     Inc. 1m @ 6.97 g/t Au from 39m
- **RCCM7** – 12m @ 0.53 g/t Au from 72m  
     Inc. 1m @ 4.6 g/t Au from 82 m



**Figure 6** – Location map of the tenement area, Comet Gold Prospect and proximal contained gold Resources overlying a regional reduced to pole aeromagnetic image (compiled from St. Aust. Government data).



**Figure 7** – Comet Drill Collar Map. Historical anomalous gold intercepts (red lines) projected to surface. Gold intercepts occur over a strike length more than 150 metres and is open to the north, south and at depth.

Follow up drill testing of the Comet Prospect will be a priority for the Company during the 2020 period. The Company has an existing Native Title Mining Agreement in place with the Native Title Holders and anticipates future drilling approval could be achieved quickly. The Company will also re-evaluate the broader tenement area which may have been prematurely downgraded based on ineffective historical surface soil geochemistry and will apply other exploration methods to target gold and other metals. This work will include some surface geochemical methods, where the cover-type is suitable, but will also target potential structural / magnetic target sites via proposed regional based shallow RAB drilling to identify prospective mineralised zones.

## Victorian Gold Projects

### Glenfine Gold Project – Farm-in and Joint Venture

In early July, just after the current reporting period, Petratherm entered into a Farm-in and Joint Venture Agreement with, Cape Clear Minerals Pty Ltd (CCM) and Predictive Discovery Ltd (ASX: PDI) on their Glenfine Gold Project, which demonstrates potential for both Stawell-Style (basalt dome hosted) gold mineralisation and Ballarat-Style (vein hosted) gold mineralisation. The Glenfine Project is located 25 kilometres southwest of Ballarat and comprises 3 contiguous tenements (EL's 5434, EL 5537 & EL 5344) totalling 96 km<sup>2</sup> (Figure 8).

Significant deep lead and hard rock gold production has been documented from the tenements, and the surrounding area has been one of the largest gold-producing regions of Victoria. There are numerous gold occurrences at Glenfine, historically known as the Pitfield Plains Goldfield (Figure 8). The goldfield has an estimated combined historical gold production of approximately 400,000 oz from alluvial, deep lead and hard rock mining. The most significant hard-rock production on the tenements came from the Glenfine South Mine where 43,693 oz of gold were reported mined between 1899 and 1907 (source: Victorian Geological Survey Report No 94).



## Joint Venture Terms

The key terms of the Farm-in and Joint Agreement whereby Petratherm may acquire up to an 80% interest, with further provision to earn 100% interest in the tenements are presented below.

- Condition Precedent – The Agreement and its obligations are subject to PTR being satisfied in respect of the tenements within a 21-day due diligence period.
- Stage 1 – PTR may earn a 51% interest by spending a total of \$1,000,000 on exploration within a 3-year period, of which at least \$100,000 must be spent within the first 12 months.
- Stage 2 - PTR may earn an additional 29% interest (for a total of 80% interest) by spending a further \$2,000,000 on exploration within an additional 2.5-year period.
- Once PTR have earned an 80% interest the parties can elect to contribute their equity share or dilute following a standard industry formula.
- If CCM/PDI interest reduces to 10% or less, this will constitute a notice of withdrawal and PTR will acquire 100% interest in the tenements and CCM/PDI shall be entitled to receive a 1 % Net Smelter Royalty in respect of all minerals produced from the Joint Venture Area.



**Photo 2** Drill core from hole CCD001 displaying mineralised quartz veining with arsenopyrite

## Glenfine - Stawell Style Gold

The Glenfine project covers a 30-kilometre section of the crustal scale, west dipping Avoca Fault that separates the Stawell Zone in the west from the Ballarat-Bendigo Zone in the east. It is considered to provide a fluid conduit for extensive gold mineralisation hosted in the subjacent rock sequences. In this region along the margin of the fault is a large (+20km long) elongate basalt dome structure, the 'Glenfine Dome' and is considered to be in an analogous setting to the Cambrian Magdala Volcanic Dome, which hosts the Stawell gold deposits (5.2 Moz), adjacent to the crustal scale west dipping Coongee Fault at Stawell in western Victoria.

Recent historical air-core drilling and follow-up diamond drilling has defined extensive gold mineralisation on the basalt - sediment interface zone along the eastern and western flanks of the Glenfine Dome, occurring over at least 20 kilometres of total strike length when both sides of the dome edge are considered, and it remains open to the north (Figure 7). The dome is under shallow younger cover however as the basalt has high specific density, detailed gravity surveying clearly defines its extent (Figure 7).

Historical hard rock mining mainly exploited vein-hosted mineralisation, however there is evidence of gold mineralisation mined from the margins of the Glenfine Dome as well. This speaks to a high potential for undiscovered economic deposits of bedrock gold in both styles.

**Table 1** Glenfine Basalt Dome – selected assay results from flanks diamond drilling  
(refer to PTR ASX release 08/07/20 for JORC Table 1 details)

Hole No.	Drill Type	Easting MGA94 Z54	Northing MGA94 Z54	Dip (Deg.)	Azimuth (Deg.)	R.L. (m)	Total Depth (m)	From (m)	Significant Gold Intersections
PFD004	DD	726922	5804782	-53	86	167	325.2	312.6	1.4 m @ 1.0 g/t Au
PFD007	DD	726252	5801042	-57	90	187	279.6	206.1	1.6 m @ 0.8 g/t Au
								242.3	2.3 m @ 1.5 g/t Au
								243.5	Incl. 1.1 m @ 2.4 g/t Au
PFD009	DD	726183	5805556	-56.4	96.1	159.7	159.7	142.3	2.7 m @ 1.01 g/t Au
PFD010	DD	727136	5804783	-56	96	150	149.5	97.5	1.2 m @ 1.7 g/t Au
PFD012	DD	727108	5804944	-59	94	183	244.6	162.0	6.1 m @ 0.5 g/t Au
PFD014	DD	727092	5804728	-56	110	167	218.5	132.7	2.9 m @ 0.9 g/t Au
								162.4	1.8 m @ 1.8 g/t Au
								168.9	15.1 m @ 0.7 g/t Au
								180.5	Incl. 1.1 m @ 4.8 g/t Au
								196.7	4.8 m @ 0.5 g/t Au
								158.0	2.2 m @ 2.6 g/t Au
PFD024	DD	727063	5804485	-57	91	166	417.6	266.0	1.6 m @ 1.6 g/t Au
								276.8	1.1 m @ 2.9 g/t Au
								340.9	2.3 m @ 2.3 g/t Au
PFD026	DD	726800	5804177	-55.4	92.5	180.0	348.9	223.6	2.4 m @ 2.3 g/t Au

## Glenfine - Ballarat Style Gold

In addition to the regional basalt dome drill testing, high-grade quartz reef gold drill intercepts have been returned from the Glenfine and British Banner Prospect Areas (Figure 7) located on the east side of the basalt. The gold mineralisation at both prospects are open along strike and at depth. At Glenfine, the drilling reported herein, is a vein discovery termed the Glenfine Reef 2, which occurs immediately south of the main historic workings along trend with known mineralisation. The mineralisation occurs as singular or multiple quartz reefs and is interpreted to be akin to conventional central Victorian or "Ballarat Style" quartz reef coarse gold with pyrite-arsenopyrite-galena-sphalerite mineralisation (Photo 2). Significant carbonate-chlorite alteration haloes up to 20m wide also surround the mineralised zones.

Notable recorded gold intersections (not true width) include:

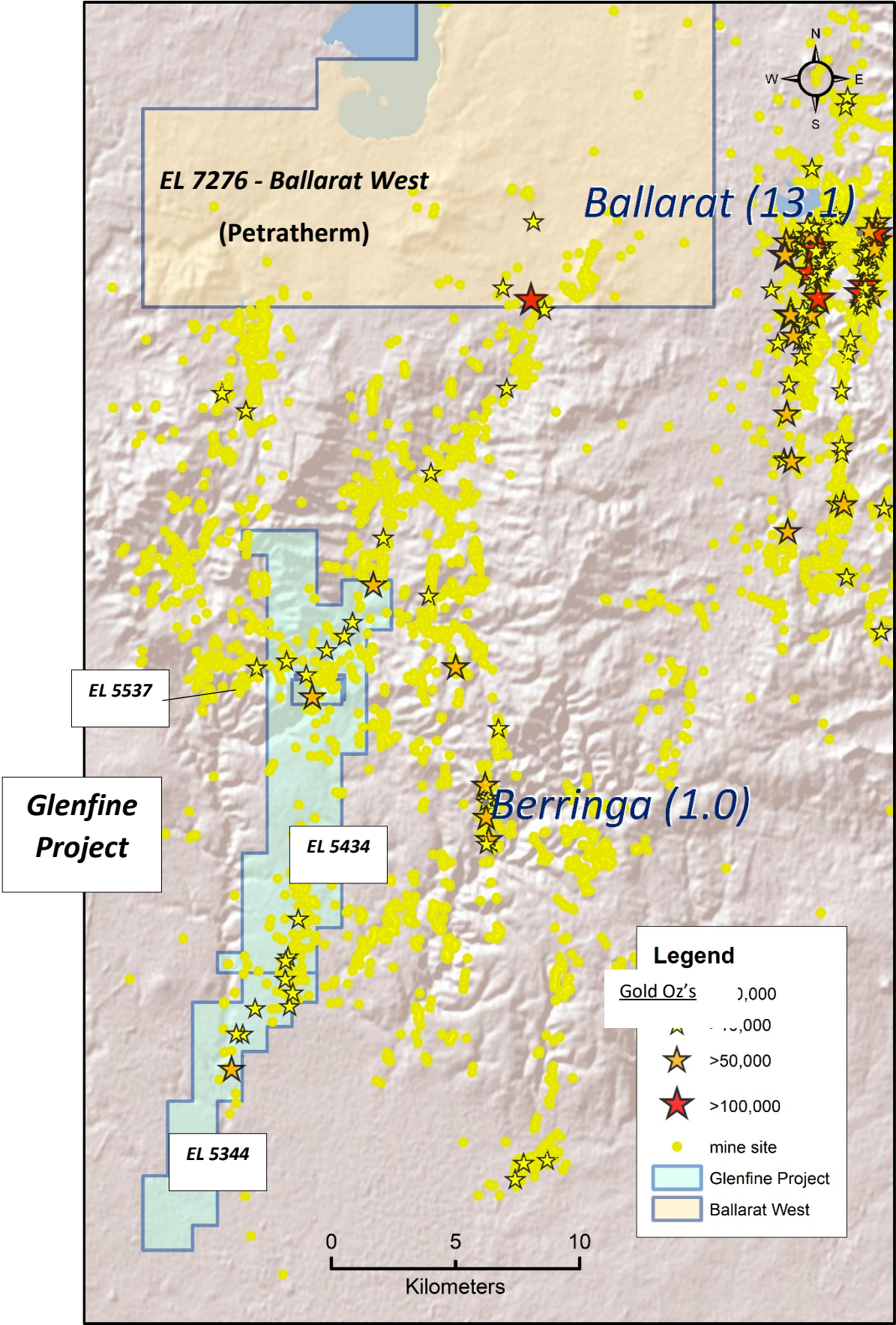
Glenfine Reef 2\*

- PFD005            **1.2m @ 11.4g/t** Au from 152.3m  
                       **1.6m @ 2.6g/t** Au from 164.7m  
                       **4.0m @ 1.4g/t** Au from 177.6m  
                       **0.5m @ 4.5g/t** Au from 181.1m
- PFD016            **1.3m @ 7.0g/t** Au from 221.9m, incl. **0.7m @ 11.5g/t**
- PFD019A        **4.5m @ 2.4g/t** Au from 125.2m
- PFD020        **6.9m @ 1.5g/t** Au from 135.2m, incl. **0.9m @ 8.5g/t**
- PFD021            **0.3m @ 11.1g/t** Au from 220.7m
- PFD031            **0.5m @ 5.8g/t** Au from 89m  
                       **3.1m @ 3.6g/t** Au from 98.8m, incl. **0.9m @ 9.2g/t Au**  
                       **3.8m @ 5.7g/t** Au from 106m, incl. **0.8m @ 21.0g/t Au**  
                       **11.1m @ 1.8g/t** Au from 150.8m, incl. **1.1m @ 6.4g/t Au**
- PFD034            **1.2m @ 1.8g/t** Au from 110.2m  
                       **0.2m @ 2.7g/t** Au from 118.6m  
                       **0.7m @ 1.1g/t** Au from 147.1m  
                       **0.8m @ 6.2g/t** Au from 148.8m  
                       **1.6m @ 1.9g/t** Au from 155.6m  
                       **0.6m @ 2.1g/t** Au from 164.4m

British Banner Prospect\*

- CCD01            **3.8m @ 9.0 g/t** Au from 265.7m, incl. **1.3m @ 23.4 g/t**  
                       **3.2m @ 4.1 g/t** Au from 327.4m, incl. **0.7m @ 13.4 g/t**
- PDF036            **0.9m @ 3.3 g/t** Au from 313.1m  
                       **0.6m @ 22.8 g/t** Au from 334m  
                       **3.6m @ 1.3 g/t** Au from 347.8m  
                       **3.3m @ 2.7 g/t** Au from 389.7m, incl. **0.4 @ 19.5 g/t**  
                       **0.4m @ 5.0 g/t** Au from 397.6m
- CCD04            **2.1m @ 4.0 g/t** Au from 206.8m
- CCD05            **5.7m @ 0.2 g/t** Au from 86.7m  
                       **1.2m @ 2.5 g/t** Au from 160.5m  
                       **0.8m @ 3.7 g/t** Au from 167.4m

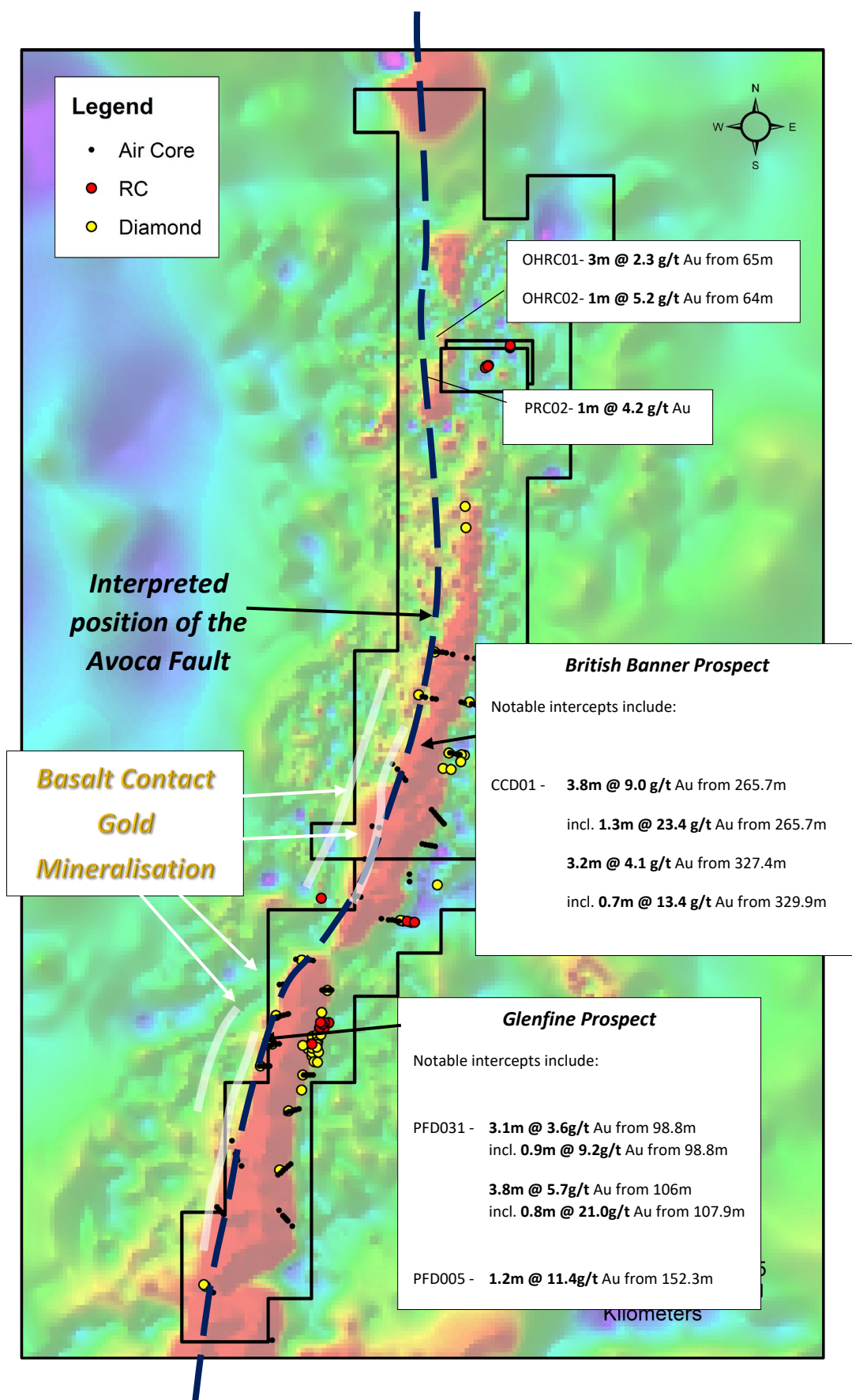
\*refer to PTR ASX release 08/07/20 for JORC Table 1 details



**Figure 8** Regional Location Map of the Glenfine Gold Project Area and Gold Mines

(source: Victorian State Government GeoVic database)





**Figure 7** Residual Gravity Image displaying the Glenfine Basalt Dome (red), drill collars, current extent of known gold mineralisation along the basalt margin and notable drilling intercepts.

## Yuengroon (EL006897) - Victoria Gold and Copper Potential

In early October 2019, the Company's Yuengroon Project Tenement (EL 6897) was granted by the Victoria State Government. The 683 km<sup>2</sup> area secured, covers a highly prospective ground position over a portion of the Bendigo Zone, covering the historic northern Wedderburn Goldfield and extends westwards to cover sizable strike extensions of several major crustal faults, with several important historical gold occurrences spatially associated (Figure 8). The western areas have only been lightly explored and are mostly under shallow cover.

### Wedderburn Goldfield Area

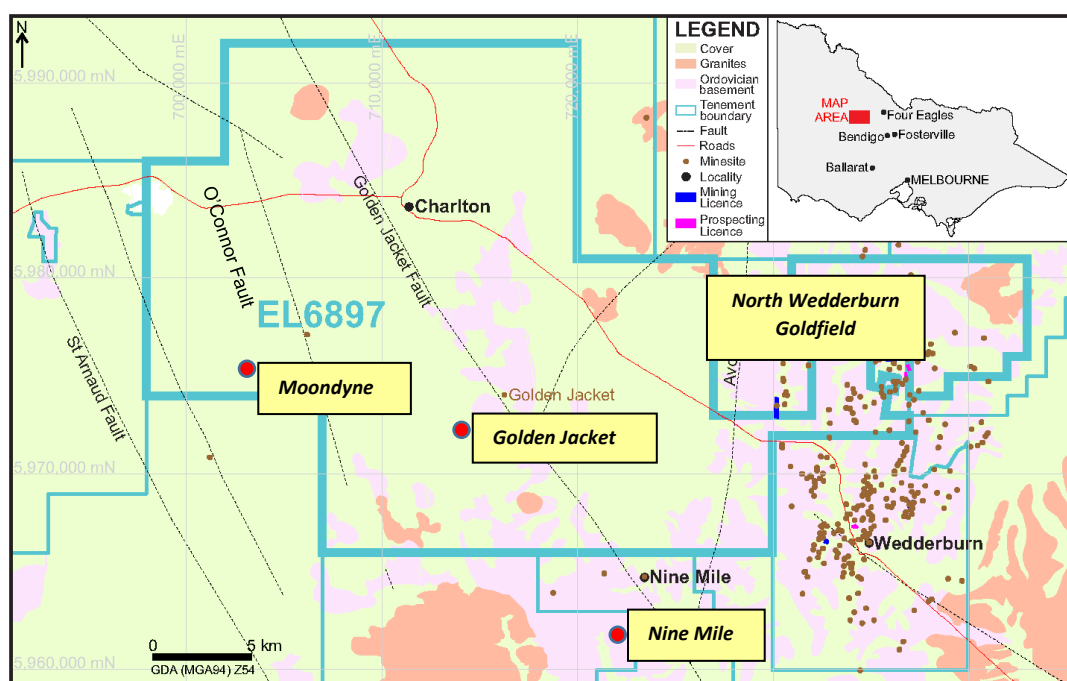
Recorded historical gold production from the Wedderburn field is 140,000 Oz. These finds came mainly from alluvial workings but also included some shallow reef mining down to the water table which occurs at approximately 20 metres depth. Very little modern drilling has occurred to test for depth extensions of the reef systems below the water table.

### Golden Jacket Mine

The Golden Jacket Fault which extends through the tenement area for approximately 12 kilometres is associated with two notable recorded local historic mine occurrences (Figure 8). The Golden Jacket Mine comprises a shallow small historic shaft reef mine worked to 46 metres depth. Total recorded production was 171.7 tonnes of ore which produced 1,385 Oz of gold. Whilst only a small historic working the grade is exceptional, running at an average of 250.1 g/t Au. The Nine Mile Reef (Figure 8) is a larger historical mine, which was worked down to 131 metres depth and mined 43,571 tonnes of ore producing 16,236 Oz of gold (average grade 11.6 g/t Au) (reference: Victorian State Government GeoVic database).

### Moondyne Gold Prospect

Further west the historic Moondyne Mine Area is spatially linked with the O'Connor Fault (Figure 8) and comprises a line of shallow sub-cropping quartz reef workings which extend for approximately 1.2 kilometres before being blanketed by shallow younger cover sediment. This line of quartz reefing was worked on a small scale during the 1930's depression years with a number of shallow shafts sunk to an approximate maximum depth of 20 metres. Limited historical production data (389 tonnes), returned an average grade of 10.9 g/t Au (reference: Geological Survey of Victoria Record 24913, 1933). The immediate host rock is described as clay rich and soft to mine with abundant iron stained pitting evident in the wall rock. The widespread clay alteration and pitting, potentially after primary sulphides, along with the extensive strike length of worked reef, are positive indications that this prospect could have good upside potential. The workings have never undergone systematic modern exploration, never been drilled, and remain open at depth and along strike.



**Figure 8 – EL 6897 (Yuengroon) Location Map, showing historical mine sites and known major faults.**

## **Yuengroon - Gold Pathfinder Anomalies Defined**

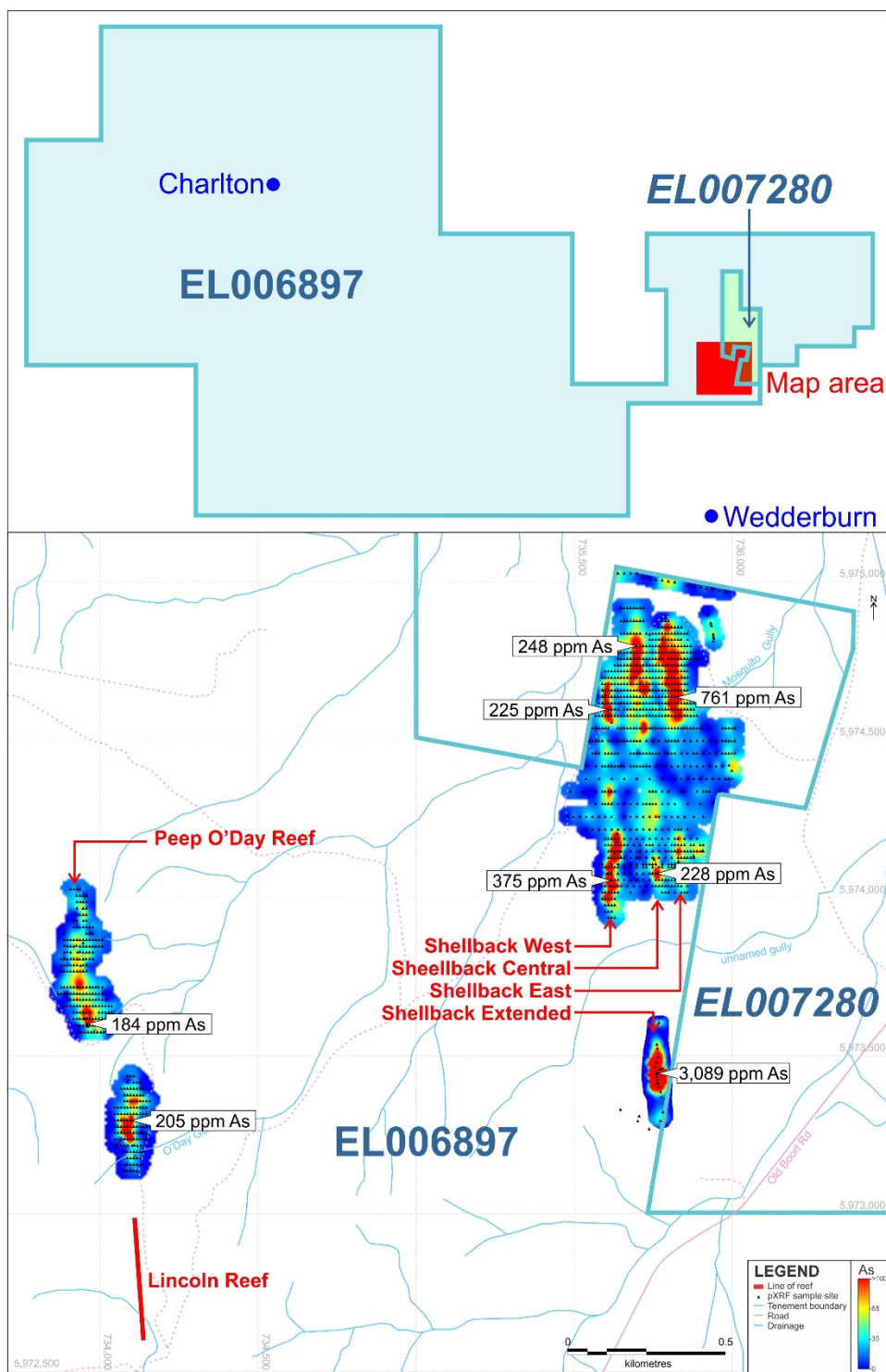
In March 2020 results from a soil geochemical sampling program defined six high tenor arsenic (As) soil anomalies over the eastern portion of the Yuengroon Gold Project. Arsenic anomalism in soil is derived from the breakdown of the sulphide mineral arsenopyrite which is found to occur with gold mineralisation in the underlying bedrock. It is principal path finder element used to locate primary gold mineralisation in the Victorian Goldfields.

To date 1248 samples have been collected over a regular grid (refer to PTR 27/03/20 ASX release for details) and analysed for As content using a portable handheld XRF. The surveys were undertaken over areas of shallow cover beyond the limits of historical shallow mining (Figure 9). This work has identified several coherent As anomalies of considerable magnitude. Typically, arsenic values more than 50 ppm are considered anomalous warranting further investigation. Each of the new targets defined have coherent As trends well in excess of 100 ppm extending for several hundred metres and include several exceptionally high As values (refer to Figure 9).

The newly defined prospects are (refer to Figure 9):

- Shellback Prospects - The north eastern portion of the survey area has identified 3 prominent As trends and a fourth zone to the South which is a likely extension of this trend (Shellback Extended). The northern prospects trend up to 1 kilometre in length, with strong anomalies at the northern and southern end separated by a saddle (Mosquito Creek) which may be masking the As trend through this middle area. South of these anomalies, the Shellback Extended trend to the south has been identified and records a peak As value of 3089 ppm and may link up to the northern areas through the cover of an unnamed creek.
- On the western side of the survey area two prominent As targets have been identified and have been termed the Peep O'Day and Lincoln Reef Extension Prospects. The Lincoln/Peep O'Day trend is 1.4 kilometres long. South of this trend the historic Lincoln Reef, line of workings which extend approximately 600 metres in length occur and comprise a series of shallow shafts sunk to the water table, at about 20 metres depth. The Lincoln line of workings have not undergone any modern systematic exploration and have never been drill tested.

The Company intends to drill test these targets, but at this stage is uncertain of the timing of when this will occur, due to the circumstances around the current Coronavirus Pandemic.



**Figure 9** East Yuengroon (EL 6897) Location Map and North Wedderburn Licence Area (EL 7280), showing the historical Lincoln Reef site and extent and magnitude of arsenic soil anomalies.





**Photo 3** – Petratherm Geologist, Emmett D'Urso, undertaking soil and rock chip sampling around historical Wedderburn Goldfield Area, Victoria.

## **Ballarat West (EL007276) Licence Application**

Petratherm secured a large prospective ground position over a portion of the West Ballarat Goldfield area (EL007276) and which also extends north, between the two historic major gold mining centres of Clunes and Creswick (Figure 10). The tenement is situated largely within the highly prospective Bendigo Structural Zone which hosts most of the Victoria's gold production.

Despite the licence areas proximity to several of Victoria's largest and best gold producing mines, it has undergone only superficial historic exploration and almost no drilling through basement as approximately 80% of the area is thinly blanketed by younger basalt (lava) flows and/or alluvial sediment cover, masking the prospective basement rock. The cover sequence thickness generally ranges between 20 and 80 metres depth over most of the tenement area and is therefore highly amenable for modern exploration methods to locate blind gold occurrences.

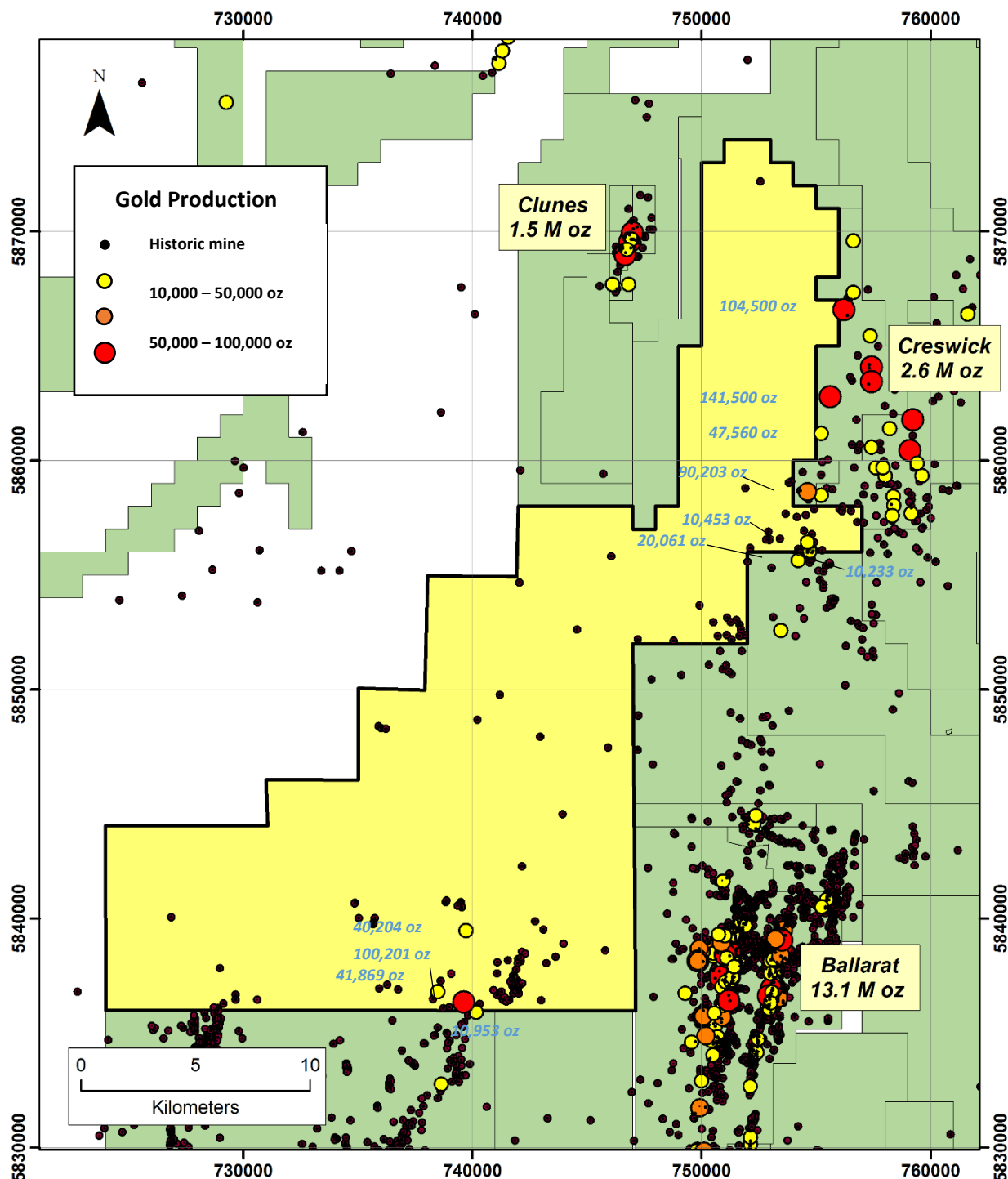
Exploration activity in the covered areas north of Bendigo has notably made several significant relatively recent gold discoveries (i.e. Four Eagles and Tandarra Prospects, reference Catalyst ASX: CYL, 08/08/2018 ASX release) and the region is currently the subject of a major multi-company exploration push. Petratherm believes the Ballarat West area offers a similar prospectivity scenario and intends to adopt similar exploration methodologies, such as the use of gravity to locate prospective structures and shallow geochemical drilling to vector onto the reef gold under cover.

Ballarat West contains several significant historic deep lead gold systems summarised in Table 1 below. One notable occurrence, the Reform No.1 Shaft has a reported gold production of 100,201 oz. The shaft reached bedrock at 90 feet (27.5 metres) and government records state the lead, approximately 1km north of the shaft entrance was found to be "very rich in nuggets, especially near quartz veins which traversed the schists in this place" (Ref: open file GSV Catalogue Record #1279, pg 2). These notes suggest the primary source of the gold could be the quartz veins noted in the bedrock floor. No historical drilling of the bedrock has occurred in this area to test the vein systems and given the relatively shallow cover (30 to 60 metres) in this area it is highly amenable to cost effective drill testing.

Table 1: Deep Lead Production Records (ref: Geovic)

<b>Lead</b>	<b>Gold Production (oz)</b>
<b>Ballarat West Area</b>	
Trunk Lead Co.	40,204
Smythesdale Racecourse G.M. Co. No. 1 Shaft	41,869
Reform G.M. Co. No. 1 Shaft	100,201
Haddon Co. North Shaft	10,953
<b>West Creswick Area</b>	
Grand Trunk	10,453
Hit or Miss	10,233
<b>Creswick Area</b> (Immediately adjacent to new licence area)	
Berry Consols Extended	104,500
Madam Berry West	141,500
West Berry Consols No. 1	47,560
New Australasian No. 3	90,203
Great Creswick Hydraulic Sluicing	20,061

*Note: Lead locations shown on Figure 10*



**Figure 10** EL 7276 - Ballarat West Tenement Area (yellow polygon) and mine locations. Recorded (ref: Geovic) historic deep lead gold production shown for licence area and significant mines adjacent.

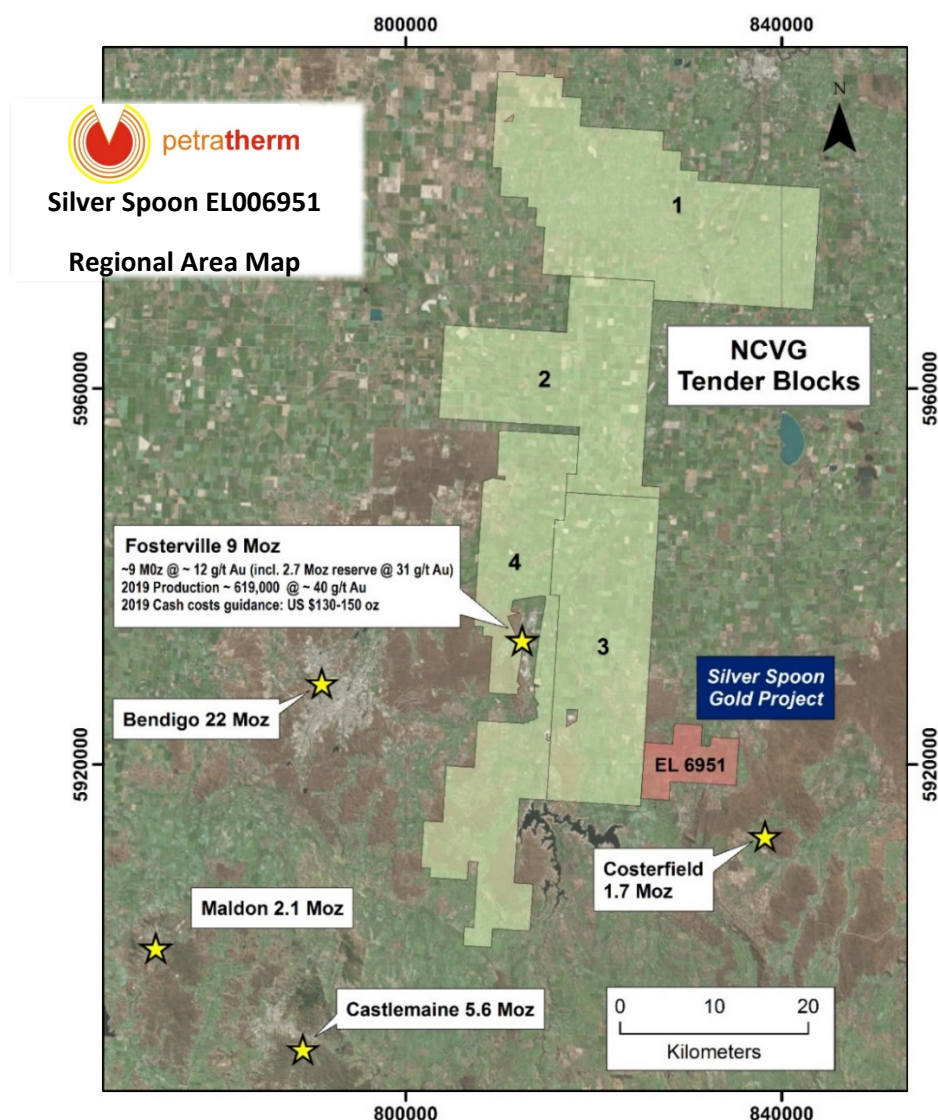
## North Wedderburn (EL007280) Licence Application

A small 15 km<sup>2</sup>, but strategically important area, covering a portion of the historic Wedderburn Goldfield has been secured adjacent to the Company's Yuengroon Gold Project (Figure 9). The identification of 6, high magnitude, arsenic soil anomalies which may be an indication of gold mineralisation, along the eastern edge of Yuengroon Project Tenement remain open along trend. These anomalies are likely to extend, onto the new ground acquired and additional soil survey work is planned once the tenement is granted.

## Silver Spoon (ELA006951) Tenement Grant Update

The Silver Spoon Project abuts the highly contested North Central Victorian Goldfields Tender Area. The region is highly prospective given its proximity and similar geology to Kirkland Lake Gold's nearby world-class Fosterville Gold Mine and other significant regional discoveries (Figure 11). The area contains several historic gold and other mineral prospects in areas of outcrop (refer to PTR ASX release 04/03/19 for detail). Younger cover sediment however masks much of the prospective host rock on the western half of the tenement and these regions have only been very lightly explored.

The tenement application originally lodged in February 2019 is well advanced, however granting cannot occur until the Taungurung Recognition and Settlement Agreement (RSA) and associated Land Use Activity Agreement (LUAA) formally commence. These Agreements between the Victorian Government and the Taungurung Clans Aboriginal Corporation are subject to further legal proceedings currently underway which Petratherm understand will be completed before the end of the current calendar year. It is anticipated that the Silver Spoon Tenement could be granted shortly thereafter.



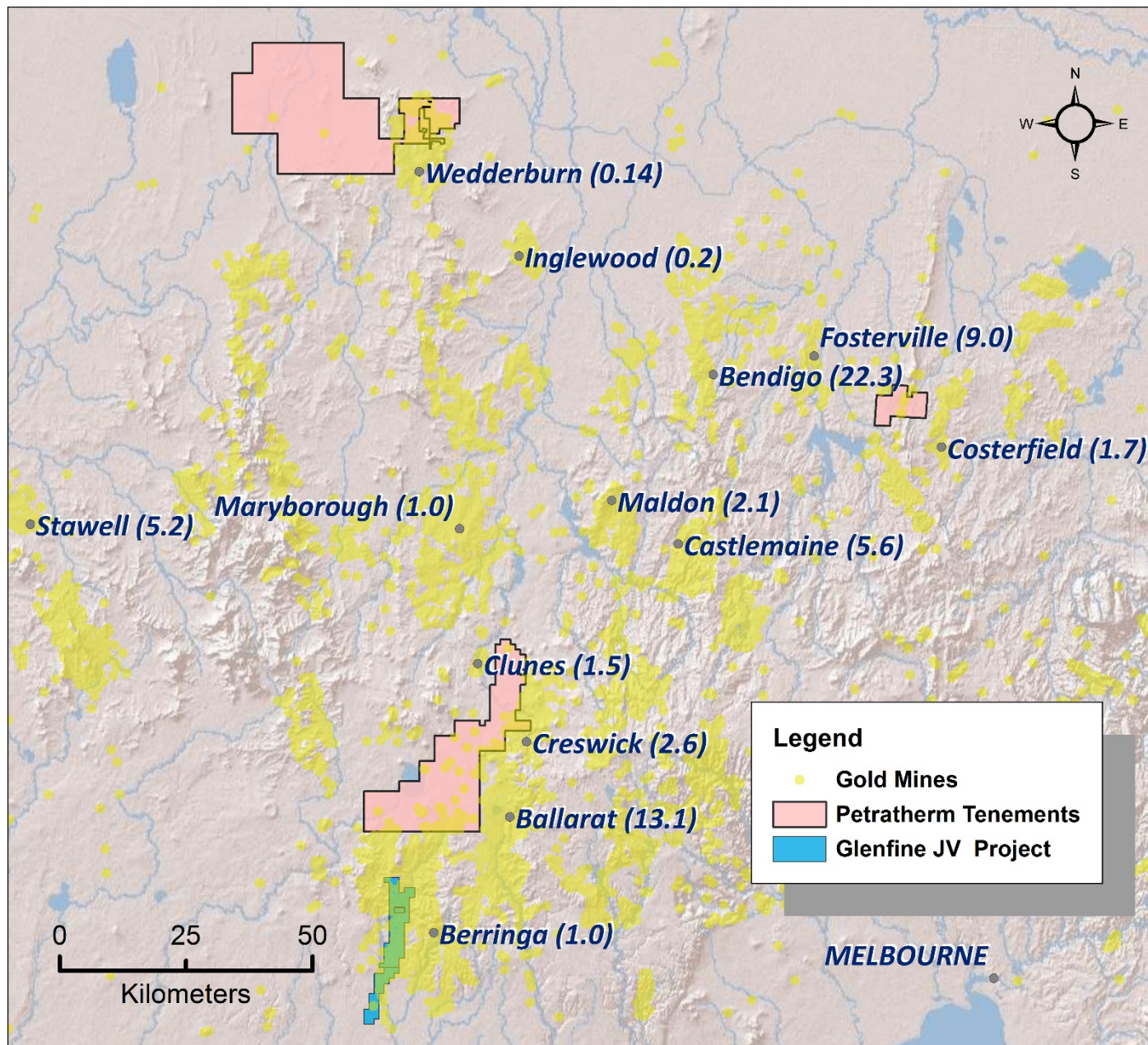
**Figure 11** EL 6951 (Silver Spoon) Location Map, North Central Victoria Goldfield (NCVG) Tender areas and major mines.

## Next Steps

Petratherm is now well positioned in the Victorian Goldfields, with 4 gold projects covering a significant land tenure position of 1,291 km<sup>2</sup> (Figure 12). The Company's ground operations at Yuengroon have defined several large drill ready gold targets and the Glenfine Project has considerable scope for the discovery of significant concealed gold resources. The recent acquisition of the large land holding at Ballarat West in the Central Goldfields, surrounded by some of Victoria's best tier-1 gold deposits, provides an additional long-term exploration upside for the Company.



At Glenfine, Initial technical works will involve a detailed review of the drilling data including re-logging and appraisal of the extensive drill core to produce 3D structural models of the gold zones to aid future drill targeting. Once the Company has completed this work, further Prospect details and the ground exploration work program will be provided. Glenfine offers the opportunity to rapidly confirm several 'walk-up' drilling targets testing both Stawell-style and Ballarat-style gold mineralisation.



**Figure 12** Petratherm's Victorian Gold Tenement Holdings, June 2020.

### **Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the Group during the financial year.

### **Matters subsequent to the end of the financial year**

#### *Glenfine Gold Project Joint Venture*

During July 2020, the Group entered into a Farm-in and Joint Venture Agreement (the Agreement) with Cape Clear Minerals Pty Ltd (CCM) and Predictive Discovery Ltd (PDI) on their Glenfine Gold Project (the Project) located in the central Victorian Goldfields.

The key terms of the Agreement are summarised below:

- Stage 1 - The Group may earn a 51% interest by spending a total of \$1,000,000 on exploration within a 3- year period, of which at least \$100,000 must be spent within the first 12 months.
- Stage 2 - The Group may earn an additional 29% interest (for a total of 80% interest) by spending a further \$2,000,000 on exploration within an additional 2.5-year period.
- Once the Group have earned an 80% interest the parties can elect to contribute their equity share or dilute following a standard industry formula.
- If CCM and PDI's interest reduces to 10% or less, this will constitute a notice of withdrawal and the Group will acquire a 100% interest in the tenements comprising the Project.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

### **Dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.

### **Corporate Governance**

The Company has established a set of corporate governance policies and procedures and these can be found within the Company's Corporate Governance Statement located on the Company's website:  
[www.petratherm.com.au/governance.html](http://www.petratherm.com.au/governance.html)

### **Environmental regulation**

The Group is aware of its responsibility to impact as little as possible on the environment, and where there is any disturbance, to rehabilitate sites. During the year under review, the majority of work carried out was in South Australia and Victoria and the Group followed procedures and pursued objectives in line with guidelines published by the South Australian and Victorian Governments.

These guidelines are quite detailed and encompass the impact on owners and land users, heritage, health and safety and proper restoration practices. The Group supports this approach and is confident that it properly monitors and adheres to these objectives, and any local conditions applicable wherever it explores.

The Group is committed to minimising environmental impacts during all phases of exploration, development and production through a best practice environmental approach. The Group shares responsibility for protecting the environment for the present and the future. It believes that carefully managed exploration programs should have little or no long-lasting impact on the environment and the Company has formed a best practice policy for the management of its exploration programs. The Group properly monitors and adheres to this approach and there were no environmental incidents to report for the year under review. Furthermore, the Group is in compliance with the state and/or Commonwealth environmental laws for the jurisdictions in which it operates.

### **Indemnity and insurance of officers**

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

### **Indemnity and insurance of auditor**

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

**Petratherm Limited**  
**Directors' report**  
**30 June 2020**

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

**Auditor**

Grant Thornton Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

**Company secretary**

Donald Stephens is the Company Secretary. He is also a Non-Executive Director of the Company.

**Meetings of Directors**

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2020, and the number of meetings attended by each Director were:

	Full Board Attended	Full Board Held	Audit and Risk Committee Attended	Audit and Risk Committee Held
Derek Carter	5	6	2	2
Simon O'Loughlin	6	6	1	2
Donald Stephens	5	6	2	2

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

**Remuneration report (audited)**

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

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

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Share-based compensation
- Additional disclosures relating to key management personnel

***Principles used to determine the nature and amount of remuneration***

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

***Voting and comments made at the Company's 2019 Annual General Meeting ('AGM')***

At the 2019 AGM, 91% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2019. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

**Details of remuneration**

*Amounts of remuneration*

Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following Directors & employees of Petratherm Limited:

- Derek Carter - Non-Executive Chairman
- Simon O'Loughlin - Non-Executive Director
- Donald Stephens - Non-Executive Director
- Peter Reid - Exploration Manager

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	Total
	\$	\$	\$	\$	\$	\$	\$
<b>2020</b>							
<i>Non-Executive Directors:</i>							
Derek Carter	45,662	-	-	4,338	-	-	50,000
Simon O'Loughlin	32,877	-	-	3,123	-	-	36,000
Donald Stephens	36,000	-	-	-	-	-	36,000
<i>Other Key Management Personnel:</i>							
Peter Reid	179,375	-	-	15,960	-	-	195,335
	<u>293,914</u>	<u>-</u>	<u>-</u>	<u>23,421</u>	<u>-</u>	<u>-</u>	<u>317,335</u>
	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	Total
	\$	\$	\$	\$	\$	\$	\$
<b>2019</b>							
<i>Non-Executive Directors:</i>							
Derek Carter	45,662	-	-	4,338	-	-	50,000
Simon O'Loughlin	32,877	-	-	3,123	-	-	36,000
Donald Stephens	36,000	-	-	-	-	-	36,000
<i>Other Key Management Personnel:</i>							
Peter Reid	154,000	-	-	14,630	-	15,900	184,530
	<u>268,539</u>	<u>-</u>	<u>-</u>	<u>22,091</u>	<u>-</u>	<u>15,900</u>	<u>306,530</u>

**Share-based compensation**

*Issue of shares*

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2020.



**Petratherm Limited**  
**Directors' report**  
**30 June 2020**

*Options*

The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
06/04/2018	06/04/2018	06/04/2021	\$0.04	\$0.011
25/09/2018	25/09/2018	25/09/2021	\$0.06	\$0.016

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by Directors and other key management personnel as part of compensation during the years ended 30 June 2020 and 30 June 2019 are set out below:

Name	Number of options granted during the year 2020	Number of options granted during the year 2019	Number of options vested during the year 2020	Number of options vested during the year 2019
Peter Reid	-	1,000,000	-	1,000,000

***Additional disclosures relating to key management personnel***

*Shareholding*

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>				
Derek Carter	1,311,167	-	-	1,311,167
Simon O'Loughlin	2,240,401	-	-	2,240,401
Donald Stephens	2,332,733	-	-	2,332,733
Peter Reid	68,101	-	-	68,101
	<u>5,952,402</u>	<u>-</u>	<u>-</u>	<u>5,952,402</u>

*Option holding*

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

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Derek Carter	1,000,000	-	-	-	1,000,000
Simon O'Loughlin	1,625,000	-	-	(625,000)	1,000,000
Donald Stephens	1,625,000	-	-	(625,000)	1,000,000
Peter Reid	1,000,000	-	-	-	1,000,000
	<u>5,250,000</u>	<u>-</u>	<u>-</u>	<u>(1,250,000)</u>	<u>4,000,000</u>

***This concludes the remuneration report, which has been audited.***

**Petratherm Limited**  
**Directors' report**  
**30 June 2020**

**Shares under option**

Unissued ordinary shares of Petratherm Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
06/04/2018	06/04/2021	\$0.04	11,487,583
25/09/2018	25/09/2021	\$0.06	<u>1,000,000</u>
			<u><u>12,487,583</u></u>

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

**Shares issued on the exercise of options**

There were no ordinary shares of Petratherm Limited issued on the exercise of options during the year ended 30 June 2020 and up to the date of this report.

**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.

**Non-audit services**

There were no non-audit services provided during the financial year by the auditor.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Derek Carter  
Chairman

24 August 2020

## Auditor's Independence Declaration

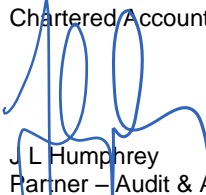
### To the Directors of Petratherm Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Petratherm 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.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



J L Humphrey  
Partner – Audit & Assurance

Adelaide, 24 August 2020

**Petratherm Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2020**

	<b>Note</b>	<b>Consolidated 2020 \$</b>	<b>2019 \$</b>
<b>Income</b>			
Bank interest received or receivable		33,396	73,660
Other income		66,994	-
Research and development incentive		2,119	106,815
<b>Expenses</b>			
Operating expenses	5	(146,639)	(173,081)
Employee benefits expense	5	(198,596)	(227,074)
Secretarial, professional and consultancy		(125,530)	(109,578)
Tenement impairment expenses	11	(3,428)	(229,972)
Exploration expenses		(45,838)	(92,487)
Environmental rehabilitation expenses	14	(37,490)	(26,452)
<b>Loss before income tax expense</b>		(455,012)	(678,169)
Income tax expense	6	-	-
<b>Loss after income tax expense for the year attributable to the Owners of Petratherm Limited</b>	17	(455,012)	(678,169)
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year attributable to the Owners of Petratherm Limited</b>		<u>(455,012)</u>	<u>(678,169)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings/(losses) per share	29	(0.27)	(0.40)
Diluted earnings/(losses) per share	29	(0.27)	(0.40)

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

**Petratherm Limited**  
**Statement of financial position**  
**As at 30 June 2020**

	<b>Note</b>	<b>Consolidated 2020 \$</b>	<b>2019 \$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	2,442,907	3,889,727
Receivables	8	33,689	32,969
Research and development tax incentive receivable	9	-	106,815
Other assets	10	5,826	5,598
Total current assets		<u>2,482,422</u>	<u>4,035,109</u>
<b>Non-current assets</b>			
Exploration and evaluation assets	11	949,042	104,801
Total non-current assets		<u>949,042</u>	<u>104,801</u>
<b>Total assets</b>		<u>3,431,464</u>	<u>4,139,910</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	94,889	346,900
Employee benefits	13	23,962	5,385
Provisions	14	-	20,000
Total current liabilities		<u>118,851</u>	<u>372,285</u>
<b>Total liabilities</b>		<u>118,851</u>	<u>372,285</u>
<b>Net assets</b>		<u>3,312,613</u>	<u>3,767,625</u>
<b>Equity</b>			
Issued capital	15	39,061,984	39,061,984
Reserves	16	140,836	270,870
Accumulated losses	17	(35,890,207)	(35,565,229)
<b>Total equity</b>		<u>3,312,613</u>	<u>3,767,625</u>

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

**Petratherm Limited**  
**Statement of changes in equity**  
**For the year ended 30 June 2020**

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2018	39,061,984	254,970	(34,887,060)	4,429,894
Loss after income tax expense for the year	-	-	(678,169)	(678,169)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(678,169)	(678,169)
<i>Transactions with Owners in their capacity as Owners:</i>				
Share based payments (note 30)	-	15,900	-	15,900
Balance at 30 June 2019	<u>39,061,984</u>	<u>270,870</u>	<u>(35,565,229)</u>	<u>3,767,625</u>
<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2019	39,061,984	270,870	(35,565,229)	3,767,625
Loss after income tax expense for the year	-	-	(455,012)	(455,012)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(455,012)	(455,012)
<i>Transactions with Owners in their capacity as Owners:</i>				
Lapsed options (note 30)	-	(130,034)	130,034	-
Balance at 30 June 2020	<u>39,061,984</u>	<u>140,836</u>	<u>(35,890,207)</u>	<u>3,312,613</u>

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

**Petratherm Limited**  
**Statement of cash flows**  
**For the year ended 30 June 2020**

	<b>Note</b>	<b>Consolidated 2020 \$</b>	<b>2019 \$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		15,404	-
Payments to suppliers and employees (inclusive of GST)		(438,600)	(459,330)
		(423,196)	(459,330)
Interest received		36,079	73,784
Government subsidies received		34,945	-
Payments for environmental rehabilitation		(329,687)	(26,452)
Payments for exploration activities (expensed)		(45,838)	(92,487)
Research and development tax incentive		108,934	-
Net cash used in operating activities	28	(618,763)	(504,485)
<b>Cash flows from investing activities</b>			
Payments for exploration activities (capitalised)		(828,057)	(236,913)
Net cash used in investing activities		(828,057)	(236,913)
Net cash from financing activities		-	-
Net decrease in cash and cash equivalents		(1,446,820)	(741,398)
Cash and cash equivalents at the beginning of the financial year		3,889,727	4,631,125
Cash and cash equivalents at the end of the financial year	7	<u>2,442,907</u>	<u>3,889,727</u>

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

**Note 1. General information**

The consolidated financial statements cover Petratherm Limited as a Group consisting of Petratherm Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Petratherm Limited's functional and presentation currency.

Petratherm Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

C/- HLB Mann Judd (SA) Pty Ltd  
169 Fullarton Road  
DULWICH SA 5065

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 24 August 2020.

**Note 2. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

The Group 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.

**AASB 16**

AASB 16 Leases became effective for periods beginning on or after 1 January 2019. Accordingly, the Group applied AASB 16 for the first time for the period ending 30 June 2020. The Group has assessed the adoption of this standard to have no impact on the Group's historical financial results.

**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').

**Critical accounting estimates**

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management 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 3.

**Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 24.

**Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Petratherm Limited ('Company' or 'parent entity') as at 30 June 2020 and the results of all subsidiaries for the year then ended. Petratherm Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those 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 de-consolidated from the date that control ceases.



## **Note 2. Significant accounting policies (continued)**

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

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

### **Other income recognition**

The Group recognises other income as follows:

#### *Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### *Other income*

Other income is recognised when it is received or when the right to receive payment is established.

### **Joint operations**

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

### **Goods and Services Tax ('GST') and other similar taxes**

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

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

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

## **Note 3. 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.

**Note 3. Critical accounting judgements, estimates and assumptions (continued)**

*Share-based payment transactions*

The Group 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.

*Rehabilitation provision*

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for assets retirement obligations and site rehabilitation in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision. Refer to Note 14 for details of the provision for environmental rehabilitation in relation to the Paralana project.

*Exploration and evaluation costs*

Exploration and evaluation costs have been capitalised on the basis that the Group will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

**Note 4. Operating segments**

The Board has considered the requirements of AASB 8 Operating Segments and the internal reports that are reviewed by the Board in allocating resources and has concluded at this time that there are no separately identifiable segments.

**Note 5. Operating expenses**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Insurance costs	20,848	17,754
AGM expenses	14,407	7,140
Audit fees	26,300	40,235
Bank charges	2,406	3,343
Communication & computer expenses	3,703	5,815
Travel expenses	3,559	14,348
Listing fees	31,672	30,738
Legal fees	2,399	12,914
Office expenses	789	322
Occupancy Costs	13,581	4,882
Share registry expenses	20,133	32,545
Other expenses	6,842	3,045
	<u>146,639</u>	<u>173,081</u>

**Note 5. Operating expenses (continued)**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Employee Benefits Expense</b>		
Wages, salaries, directors fees and other remuneration expenses	185,826	196,522
Superannuation	12,770	14,652
Share based payment expense (note 30)	-	15,900
	<u>198,596</u>	<u>227,074</u>
Total employee benefits expense	<u>198,596</u>	<u>227,074</u>

**Note 6. Income tax**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(455,012)	(678,169)
Tax at the statutory tax rate of 27.5%	(125,128)	(186,496)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	505	179
Impairment of tenements	943	63,242
Share-based payments	-	4,373
Immediate deduction of capitalised exploration cost	(233,109)	(69,586)
Other tax deductible items	(8,765)	(28,353)
Research and Development expenditure not deductible	-	67,527
	<u>(365,554)</u>	<u>(149,114)</u>
Tax losses not recognised due to not meeting recognition criteria	365,554	149,114
Income tax expense	<u>-</u>	<u>-</u>

The Group has tax losses arising in Australia of \$32,899,114 (2019: \$31,569,827) that may be available and may be offset against future taxable profits of the companies in which the losses arose. In addition, these tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

No deferred tax asset has been recognised because it is not likely future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised.

*Accounting policy for income tax*

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

**Note 6. Income tax (continued)**

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

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

**Note 7. Cash and cash equivalents**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	142,907	789,727
Cash on deposit*	2,300,000	3,100,000
	<u>2,442,907</u>	<u>3,889,727</u>

\* The Group holds a term deposit with National Australia Bank of \$100,000 (2019: \$100,000) to meet regulatory requirements.

*Accounting policy for cash and cash equivalents*

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 an insignificant risk of changes in value.

**Note 8. Receivables**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Other receivables	18,045	-
Accrued interest	2,369	5,052
GST receivable	13,275	27,917
	<u>33,689</u>	<u>32,969</u>

*Accounting policy for Receivables*

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**Note 9. Research and development tax incentive receivable**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Research and development tax incentive receivable	<u>-</u>	<u>106,815</u>

**Note 10. Other assets**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Prepayments	<u>5,826</u>	<u>5,598</u>

**Note 11. Exploration and evaluation assets**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Exploration and evaluation - at cost	<u>949,042</u>	<u>104,801</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

<b>Consolidated</b>	Exploration and evaluation \$	Total \$
Balance at 1 July 2018	81,733	81,733
Additions through expenditures capitalised	253,040	253,040
Impairment of tenements	<u>(229,972)</u>	<u>(229,972)</u>
Balance at 30 June 2019	104,801	104,801
Additions through expenditures capitalised	847,669	847,669
Impairment of tenements	<u>(3,428)</u>	<u>(3,428)</u>
Balance at 30 June 2020	<u>949,042</u>	<u>949,042</u>

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Exploration and evaluation expenditure has been carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recovered reserves. Management assessment of carried forward expenditure resulted in impairment charges of \$3,428 (2019: \$229,972).

*Accounting policy for exploration and evaluation assets*

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

**Note 12. Trade and other payables**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Trade payables	65,049	306,189
Other payables	29,840	40,711
	<u>94,889</u>	<u>346,900</u>

Refer to note 19 for further information on financial instruments.

Trade payables are non-interest bearing and normally settled on 60-day terms.

*Accounting policy for trade and other payables*

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Note 13. Employee benefits**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Annual leave liability	<u>23,962</u>	<u>5,385</u>

*Accounting policy for employee benefits*

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

**Note 14. Provisions**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Environmental rehabilitation	<u>-</u>	<u>20,000</u>

*Environmental rehabilitation*

The provision in 2019 represents the present value of estimated costs of the remediation work at the Paralana Project that was required to comply with environmental and legal obligations. There is no further environmental rehabilitation to be conducted at the Paralana Project.

*Accounting policy for provisions*

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

**Note 15. Issued capital**

	<b>2020</b>	<b>Consolidated</b>	<b>2020</b>	<b>2019</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>171,001,652</u>	<u>171,001,652</u>	<u>39,061,984</u>	<u>39,061,984</u>

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>\$</b>
Balance	1 July 2018	171,001,652	39,061,984
Balance	30 June 2019	<u>171,001,652</u>	<u>39,061,984</u>
Balance	30 June 2020	<u>171,001,652</u>	<u>39,061,984</u>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Share buy-back*

There is no current on-market share buy-back.

*Capital risk management*

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

Proceeds from share issues are used to maintain and expand the Group's exploration activities and fund operating costs. There are no externally imposed capital requirements.

The capital risk management policy remains unchanged from the 2019 Annual Report.

*Accounting policy for issued capital*

Ordinary shares are classified as equity.

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

**Note 16. Reserves**

	<b>Consolidated</b>	<b>2019</b>
	<b>2020</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>
Share-based payments reserve	<u>140,836</u>	<u>270,870</u>

*Share-based payments reserve*

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

**Note 16. Reserves (continued)**

*Movements in reserves*

Movements in each class of reserve during the current and previous financial year are set out below:

	Share-based payment Reserve \$	Total \$
<b>Consolidated</b>		
Balance at 1 July 2018	254,970	254,970
Options issued under ESOP (Note 30)	15,900	15,900
Balance at 30 June 2019	270,870	270,870
Lapsed options	(130,034)	(130,034)
Balance at 30 June 2020	<u>140,836</u>	<u>140,836</u>

**Note 17. Accumulated losses**

	<b>Consolidated</b> <b>2020</b> \$	<b>2019</b> \$
Accumulated losses at the beginning of the financial year	(35,565,229)	(34,887,060)
Loss after income tax expense for the year	(455,012)	(678,169)
Transfer from reserves	130,034	-
Accumulated losses at the end of the financial year	<u>(35,890,207)</u>	<u>(35,565,229)</u>

**Note 18. Dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.

**Note 19. Financial instruments**

***Financial risk management objectives***

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units.

***Market risk***

*Price risk*

The Group is not exposed to any significant price risk.

*Interest rate risk*

The Group is not exposed to any significant interest rate risk.



**Note 19. Financial instruments (continued)**

***Credit risk***

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's maximum credit exposure is the carrying amounts on the statement of financial position. The Group holds financial instruments with credit worthy third parties. The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. The Group has no past due or impaired debtors as at 30 June 2020.

***Liquidity risk***

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

***Fair value of financial instruments***

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

**Note 20. Key management personnel disclosures**

***Directors***

The following persons were Directors of Petratherm Limited during the financial year:

Derek Carter	Non-Executive Chairman
Simon O'Loughlin	Non-Executive Director
Donald Stephens	Non-Executive Director

***Other key management personnel***

The following person also had the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, during the financial year:

Peter Reid	Exploration Manager
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***Compensation***

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	293,914	268,539
Post-employment benefits	23,421	22,091
Share-based payments (note 30)	-	15,900
	<u>317,335</u>	<u>306,530</u>

Detailed remuneration disclosures have been included in the remuneration section of the Directors' Report

**Note 21. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the Company:

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<i>Audit services - Grant Thornton Audit Pty Ltd</i>		
Audit or review of the financial statements	<u>26,300</u>	<u>40,235</u>

**Note 22. Commitments**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Exploration and evaluation*	<u>659,214</u>	<u>349,041</u>

- \* In order to maintain current rights of tenure to exploration tenements, the Company is required to meet minimum expenditure requirements in respect of tenement lease rentals. These obligations are expected to be fulfilled in the normal course of operations.

**Note 23. Related party transactions**

*Parent entity*  
Petratherm Limited is the parent entity.

*Subsidiaries*  
Interests in subsidiaries are set out in note 25.

*Joint operations*  
Interests in joint operations are set out in note 26.

*Key management personnel*  
Disclosures relating to key management personnel are set out in note 20 and the remuneration report included in the Directors' report.

*Transactions with related parties*  
There were no transactions with related parties during the current financial year other than Director's fees (2019: \$0).

*Payable to related parties*  
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Current payables:		
Director's fees payable	10,167	-

*Loans to/from related parties*  
There were no loans to or from related parties at the current and previous reporting date.

*Terms and conditions*  
All transactions were made on normal commercial terms and conditions and at market rates.

**Note 24. Parent entity information**

Set out below is the supplementary information about the parent entity.

*Statement of profit or loss and other comprehensive income*

	<b>Parent</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax	(324,978)	(919,169)
Total comprehensive income	(324,978)	(919,169)

*Statement of financial position*

	<b>Parent</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Total current assets	2,482,422	4,035,109
Total assets	3,431,464	4,139,910
Total current liabilities	118,851	372,285
Total liabilities	118,851	372,285
Net assets	3,312,613	3,767,625
Equity		
Issued capital	39,061,984	39,061,984
Share-based payments reserve	140,836	270,870
Accumulated losses	(35,890,207)	(35,565,229)
Total equity	3,312,613	3,767,625

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2020 and 30 June 2019.

*Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2020 and 30 June 2019.

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2020 and 30 June 2019.

*Significant accounting policies*

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

**Note 25. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2020 %	2019 %
MNGI Pty Ltd	Australia	100%	100%
PetraGas Ltd	Australia	100%	100%
Oberon Resources US inc.	United States	-	100%

During June 2020 the Group dissolved Oberon Resources US Inc., their wholly-owned subsidiary company in the United States.

**Note 26. Interests in joint operations**

Beach Energy Limited is an oil & gas company that farmed-in to the Paralana Project in January 2007. The Group currently holds a 79% interest in the Paralana joint venture project while Beach Energy holds the remaining 21% interest.

The Group have passed a resolution with Beach Energy Limited to surrender the licence and terminate the joint venture. All outstanding ground remediation works have been completed as at 30 June 2020. It is anticipated the surrender will formally occur during the quarter ending September 2020 quarter.

**Note 27. Events after the reporting period**

*Glenfine Gold Project Joint Venture*

During July 2020, the Group entered into a Farm-in and Joint Venture Agreement (the Agreement) with Cape Clear Minerals Pty Ltd (CCM) and Predictive Discovery Ltd (PDI) on their Glenfine Gold Project (the Project) located in the central Victorian Goldfields.

The key terms of the Agreement are summarised below:

- Stage 1 - The Group may earn a 51% interest by spending a total of \$1,000,000 on exploration within a 3- year period, of which at least \$100,000 must be spent within the first 12 months.
- Stage 2 - The Group may earn an additional 29% interest (for a total of 80% interest) by spending a further \$2,000,000 on exploration within an additional 2.5-year period.
- Once the Group have earned an 80% interest the parties can elect to contribute their equity share or dilute following a standard industry formula.
- If CCM and PDI's interest reduces to 10% or less, this will constitute a notice of withdrawal and the Group will acquire a 100% interest in the tenements comprising the Project.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

**Note 28. Cash flow information**

*Reconciliation of loss after income tax to net cash used in operating activities*

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax expense for the year	(455,012)	(678,169)
Adjustments for:		
Impairment of non-current assets	3,428	229,972
Share-based payments	-	15,900
Change in operating assets and liabilities:		
Increase in receivables	(720)	(26,102)
Decrease/(increase) in income tax refund due	106,815	(106,815)
Increase in prepayments	(228)	(631)
Increase/(decrease) in trade and other payables	(271,623)	276,975
Increase in employee benefits	18,577	5,385
Decrease in other provisions	(20,000)	(221,000)
Net cash used in operating activities	<u>(618,763)</u>	<u>(504,485)</u>

**Note 29. Earnings/(losses) per share**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the Owners of Petratherm Limited	<u>(455,012)</u>	<u>(678,169)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>171,001,652</u>	<u>171,001,652</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>171,001,652</u>	<u>171,001,652</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings/(losses) per share	(0.27)	(0.40)
Diluted earnings/(losses) per share	(0.27)	(0.40)

In accordance with AASB 133 Earnings per Share, potential ordinary shares are antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations. The calculation of diluted earnings/(losses) per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings/(losses) per share.

*Accounting policy for earnings/(losses) per share*

*Basic earnings/(losses) per share*

Basic earnings/(losses) per share is calculated by dividing the loss attributable to the Owners of Petratherm Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

**Note 29. Earnings/(losses) per share (continued)**

*Diluted earnings/(losses) per share*

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

**Note 30. Share-based payments**

The Group established the Petratherm Limited Employee Share Option Plan and a summary of the Rules of the Plan are set out below:

- All employees (full and part time) will be eligible to participate in the Plan after a qualifying period of 12 months employment by a member of the Group, although the Board may waive this requirement.
- Options are granted under the Plan at the discretion of the Board and if permitted by the Board, may be issued to an employee's nominee.
- Each option is to subscribe for one fully paid ordinary share in the Company and will expire 5 years from its date of issue. An option is exercisable at any time from its date of issue. Options will be issued free. The exercise price of options will be determined by the Board, subject to a minimum price equal to the market value of the Company's shares at the time the Board resolves to offer those options. The total number of shares, the subject of options issued under the Plan, when aggregated with issues during the previous 5 years pursuant to the Plan and any other employee share plan, must not exceed 5% of the Company's issued share capital.
- If, prior to the expiry date of options, a person ceases to be an employee of the Group for any reason other than retirement at age 60 or more (or such earlier age as the board permits), permanent disability, redundancy or death, the options held by that person (or that person's nominee) automatically lapse on the first to occur of a) the expiry of the period of 6 months from the date of such occurrence, and b) the expiry date. If a person dies, the options held by that person will be exercisable by that person's legal personal representative.
- Options cannot be transferred other than to the legal personal representative of a deceased option holder.
- The Company will not apply for official quotation of any options issued under the plan.
- Shares issued as a result of the exercise of options will rank equally with the Company's previously issued shares.
- Option holders may only participate in new issues of securities by first exercising their options.

The Board may amend the Plan Rules subject to the requirements of the Listing Rules.

Set out below are summaries of options granted:

**2020**

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
24/11/2016	24/11/2019	\$0.10	1,750,000	-	-	(1,750,000)	-
24/11/2016	24/11/2019	\$0.18	750,000	-	-	(750,000)	-
24/11/2016	24/11/2019	\$0.24	1,000,000	-	-	(1,000,000)	-
06/04/2018	06/04/2021	\$0.04	11,487,583	-	-	-	11,487,583
25/09/2018	25/09/2021	\$0.06	1,000,000	-	-	-	1,000,000
			<u>15,987,583</u>	<u>-</u>	<u>-</u>	<u>(3,500,000)</u>	<u>12,487,583</u>

**2019**

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
24/11/2016	24/11/2019	\$0.10	1,750,000	-	-	-	1,750,000
24/11/2016	24/11/2019	\$0.18	750,000	-	-	-	750,000
24/11/2016	24/11/2019	\$0.24	1,000,000	-	-	-	1,000,000
06/04/2018	06/04/2021	\$0.04	11,487,583	-	-	-	11,487,583
25/09/2018	25/09/2021	\$0.06	-	1,000,000	-	-	1,000,000
			<u>14,987,583</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>15,987,583</u>



**Note 30. Share-based payments (continued)**

Weighted average exercise price	\$0.07	\$0.00	\$0.00	\$0.00	\$0.04
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The weighted average remaining contractual life of options outstanding at the end of the financial year was 0.77 years (2019: 1.45 years).

The Group did not make any share-based payments during the year.

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Options issued under the ESOP to KMP (Note 5)	-	15,900

*Accounting policy for share-based payments*

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or 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, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

**Petratherm Limited**  
**Directors' declaration**  
**30 June 2020**

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

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

On behalf of the Directors



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Derek Carter  
Chairman

24 August 2020

# Independent Auditor's Report

## To the Members of Petratherm Limited

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Petratherm Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of 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 performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

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

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

## Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
<b>Exploration and evaluation assets - Notes 3 and 11</b>	
At 30 June 2020 the carrying value of exploration and evaluation assets was \$949,042.	Our procedures included, amongst others:
In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> , the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.	<ul style="list-style-type: none"> <li>• reviewing management's area of interest considerations against AASB 6;</li> <li>• conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including; <ul style="list-style-type: none"> <li>– tracing projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure exists;</li> <li>– enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's budgeted exploration expenditure;</li> <li>– understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale.</li> </ul> </li> <li>• assessing the accuracy of impairment recorded for the year as it pertained to exploration interests;</li> <li>• evaluating the competence, capabilities and objectivity of management's experts in the evaluation of potential impairment triggers; and</li> <li>• assessing the appropriateness of the related financial statement disclosures.</li> </ul>
The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.	
This area is a key audit matter due to the significant judgements involved in determining the existence of impairment triggers.	

## Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 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 we do not express any form of assurance conclusion thereon.

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

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

### Responsibilities of the Directors' for the financial report

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

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

### Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar1\\_2020.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf). This description forms part of our auditor's report.

### Report on the remuneration report

#### Opinion on the remuneration report

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2020.

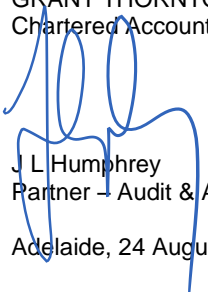
In our opinion, the Remuneration Report of Petratherm Limited, for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

### 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.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



J L Humphrey  
Partner – Audit & Assurance

Adelaide, 24 August 2020

**Petratherm Limited**  
**Shareholder information**  
**30 June 2020**

Additional information required by the Australian Securities Exchange Listing Rules and not disclosed elsewhere in this report is set out below. This information is current as at 20 August 2020.

**Distribution of equitable securities**

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of holders of options over ordinary shares
1 to 1,000	1,575	-
1,001 to 5,000	678	-
5,001 to 10,000	182	-
10,001 to 100,000	327	1
100,001 and over	231	4
	<u>2,993</u>	<u>5</u>
Holding less than a marketable parcel	<u>3,125</u>	<u>-</u>

**Equity security holders**

*Twenty largest quoted equity security holders*

The names of the twenty largest security holders of quoted equity securities are listed below:

Name	Ordinary shares Number held	%
GREENSLADE HOLDINGS PTY LTD	5,239,638	3.06
CALAMA HOLDINGS PTY LTD	5,166,442	3.02
CPO SUPERANNUATION FUND PTY LTD	4,500,000	2.63
JIMZBAL PTY LTD	3,700,000	2.16
MR MICHAEL ANDREW WHITING & MRS TRACEY ANNE WHITING	3,418,895	2.00
THIRTY FOUR PTY LTD	3,400,000	1.99
CORPORATE PROPERTY SERVICES PTY LTD	2,880,666	1.68
MR JEFFREY ROY ELLISON & MRS TONI ALICE ELLISON	2,500,000	1.46
MR ANGUS WILLIAM JOHNSON & MRS LINDY JOHNSON	2,500,000	1.46
PETERSVIEW PTY LTD	2,500,000	1.46
SYMINGTON PTY LTD	2,426,862	1.42
MR MARK EDMUND SCHAUB	2,375,000	1.39
DCS SUPER FUND PTY LTD	2,248,733	1.32
PUNTERO PTY LTD	2,152,435	1.26
DARROCH FAMILY PTY LTD	2,039,125	1.19
EPIC FEAST PTY LTD	2,000,000	1.17
TORRES INVESTMENTS PTY LTD	2,000,000	1.17
BLUEBIRD CAPITAL PTY LTD	1,875,000	1.10
OCTIFIL PTY LTD	1,847,210	1.08
MR PETER ANTHONY WHITING & MRS JANE MARY WHITING	1,675,000	0.98
	<u>56,445,006</u>	<u>33.00</u>

**Petratherm Limited**  
**Shareholder information**  
**30 June 2020**

*Unquoted equity securities*

<b>Class</b>	<b>Number on issue</b>	<b>Number of holders</b>
Options over ordinary shares issued	12,487,583	5

The following person holds 20% or more of unquoted equity securities:

<b>Name</b>	<b>Class</b>	<b>Number held</b>
TAYCOL NOMINEES PTY LTD	Options over ordinary shares issued	8,487,583

**Substantial holders**

There are no substantial holders in the Company.

**Voting rights**

All ordinary shares carry one vote per share without restriction. Options have no voting rights.

**Tenements**

<b>Description</b>	<b>Tenement number</b>	<b>Interest owned %</b>
Paralana	GEL 156	79
Mt Willoughby	EL 6332	100
Mt Barry	EL 6333	100
Kanku (Mt Willoughby - extended)	EL 6404	100
Mt Euee (Mt Barry - extended)	EL 6405	100
Comet	EL 6443	100
Yuengroon	EL 6897	100