



# **Twenty Seven Co. Limited**

**ABN 48 119 978 013**

## **Annual Report**

**30 June 2020**

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## Corporate Directory

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### Directors

Robert Scott  
*Non-Executive Chairman*

Mark Burchnell  
*Non-Executive Director*

Timothy Armstrong  
*Non-Executive Director*

### Chief Executive Officer

Ian Warland

### Chief Financial Officer / Company Secretary

Damien Connor

### Registered Office & Administrative Office

Twenty Seven Co. Limited  
ABN 48 119 978 013  
Ground Floor, 28 Greenhill Road  
Wayville, Adelaide  
South Australia 5034  
Telephone +61 (0)8 8274 2127  
[enquiries@twentysevenco.com.au](mailto:enquiries@twentysevenco.com.au)

### Share Registry

Computershare Investor Services Pty Ltd  
Level 5, 115 Grenfell Street  
Adelaide SA 5000  
GPO Box 1903  
Adelaide SA 5001  
Investor Enquiries (within Australia): 1300 556 161  
Facsimile +61 8 8236 2305

### Auditor

Grant Thornton Audit Pty Ltd  
Level 3, 170 Frome Street Adelaide  
SA 5000

### Banker

National Australia Bank  
Level 1, 22 King William Street Adelaide  
SA 5000

### Australian Securities Exchange

The Company is listed on the Australian Securities Exchange.  
ASX code: TSC

### Website

[www.twentysevenco.com.au](http://www.twentysevenco.com.au)

# Chairman and Chief Executive Officer's Report

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Dear Shareholders,

In the first twelve months of the Rover Projects life the Company has discovered shallow high grade gold at Creasy 1 and Harmonic prospects and demonstrated the significant volcanic massive sulphide (VMS) prospectivity of the tenure.

The gold discoveries at Creasy 1 and Harmonic have been a highlight of the year with shallow high grade intercepts at Creasy 1 including **15m @ 3.8g/t Au from 49m (19RVRC001) including 1m @ 51.2g/t Au from 54m and 5m @ 9.0g/t Au from 51m (19RVRC006) including 1m @ 44.2g/t Au from 51m.**

Harmonic was discovered within 3 month of tenement grant during the inaugural Creasy 1 drilling program in December 2019. The discovery followed drill testing of a portable xrf coincident copper and arsenic anomaly in soils located immediately along strike to the northwest of Creasy 1. This cheap and effective technology is being deployed in other parts of the project, scanning for similar geochemical signatures.

Harmonic contains gold mineralisation from surface extending for at least 180m along strike and remains open along strike and downdip. Significant mineralisation has been intersected in several holes including **10m @ 1.8g/t Au from 44m (20RVRC020) including 1m @ 9.2g/t Au from 46m.**

Recent geochemical sampling at Harmonic has resulted in a tripling on the prospective target area to ~650m by the discovery of a 1.77g/t Au rock chip (RVR123) that is ~400m to the northwest of the nearest RC drill-holes. This prospective target area is supported by a gold in soil anomaly extending over the drilled area and for a further 400m northwest along the Illara shear zone.

TSC has found that the better zones of gold mineralisation at both Creasy 1 and Harmonic appear to be located in plunging shoots formed in association with fold structures along the sheared contact between the quartzite and overlying mafic schist/BIF package. Future drilling and assessment will test this conceptual model to optimise drill results. The geology team has been looking for evidence of similar fold structures further south along the Illara shear zone. The rationale is these may be dilation zones and, hence, potential sites for significant gold accumulation. While this work has only just begun, it has already identified two promising areas where surface mapping indicates significant folding with the interpreted associated dilation zones exhibiting anomalous gold in soils.

Assessment and definition of the mineralisation at of Creasy 1 and Harmonic continues while in tandem, the Company is building a strong pipeline of targets for drill testing and definition drilling.

Also, of note is that the Company has significantly grown the Rover Project from a single tenement to three covering a total of 461sqkm of tenure and 140km of prospective greenstone belt. The new tenements were acquired at application cost only, as a result of TSC's being an early mover in the area. Subsequent discoveries by Cobre (ASX: CBE) at its Perrinvale VMS project and exploration success by TSC have help fan the resurgence in exploration of the area.

Subsequent to year end the Company announced an exclusive option to acquire some exciting projects in WA and NSW. The flagship Mt Dimer project in WA has a mining lease where around 8500 ounces of gold was mined from a shallow open pit in the mid 1990's. Historic drilling indicates that gold mineralisation extends under the current pit and along strike. The Company sees significant near term gold potential at the project, importantly on a granted mining lease.

The year under review has been a highly successful year for TSC with the discovery of shallow gold mineralisation at Rover, and subsequently, with the acquisition of the option to acquire an exciting new gold project. The focus for 2020/21 will be fast track Mt Dimer subject to final acquisition and better define and extend mineralisation at Creasy 1 and Harmonic while systematically generating, drill testing and defining high quality targets at Rover.

The Company looks forward to reporting positive results and growing shareholder value through discovery.



Robert Scott  
Chairman  
Perth, 24 September 2020



Ian Warland  
Chief Executive Officer  
Adelaide, 24 September 2020

# Operating and Financial Review

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## Strategy

The Group's strategy of focussing on gold and base metals exploration has gained significant momentum during the last period with exploration quickly advancing the Rover Project in the West Australian goldfields. The Company has demonstrated the strong gold and base metal prospectivity at Rover and will continue to define, extend and test priority gold targets with the aim of defining resources for potential development.

The Group is actively seeking joint venture partners to develop its two projects in NSW, Midas and Perseus.

Over the longer-term, the Group will continue to review and assess complementary exploration and later-stage projects on their merits, with the strict criteria they must deliver the potential to generate increased shareholder value.

The COVID-19 global pandemic has presented some operation challenges for the Company; however, the Company has been able to continue its exploration activities largely unimpeded. The Company continues to monitor the COVID 19 situation and will take appropriate measures to mitigate any potential impacts on its operations, should they arise. During and subsequent to the reporting period, there has been no significant impact on the financial statements attributable to events or conditions associated with COVID-19, however this will continue to be monitored and mitigation measures put in place as required and as appropriate.

## Summary of financial performance

The net loss of the Group for the 2019/20 financial year was \$1,055,176 (2019: \$1,132,777) and includes mineral exploration impaired and written off \$311,452 (2019: \$580,920).

During the year ended 30 June 2020 the Group's net cash position increased by \$759,907 from \$318,723 (1 July 2019) to \$1,078,630 (30 June 2020) and no debt. During the year, the Group received inflows of \$2,504,765 (net of costs) associated with share placements during the year (\$1,799,765), a Share Purchase Plan (\$558,000) and exercise of unlisted options (\$147,000), which were largely offset by outflows associated with exploration expenditure (\$1,088,527) and wages, corporate & administration expenditure (\$668,731).

## Changes in share capital

### Shares

The number of shares on issue increased from 981,061,284 (1 July 2019) to 1,486,320,878 (30 June 2020) during the year as a result of the following events:

- 246,076,944 shares were issued in respect of a share placement to professional sophisticated investors, raising \$1,599,500 (before costs).
- 75,000,000 shares were issued in respect of a share placement to professional sophisticated investors, raising \$300,000 (before costs).
- 139,500,000 shares were issued to eligible shareholders who participated in the Company's Share Purchase Plan, raising \$558,000 (before costs).
- 21,000,000 shares were issued following the exercise of unlisted share options.
- 995,250 shares were issued to a third-party as consideration for providing advisory services to the Company.
- 4,687,400 shares were issued to the Company's CEO, Ian Warland, in lieu of cash payments for salary owing.
- 18,000,000 shares (in aggregate) were issued to Directors (6,000,000 shares to each Director), in lieu of cash director fees owing to them for their services for the period to 30 June 2019. Shareholder approval was received at the Company's Extraordinary General Meeting held on 26 July 2019.

# Operating and Financial Review

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## Unlisted Options (Options)

The number of share options on issue increased from 87,000,000 (1 July 2019) to 191,000,000 (30 June 2020) during the year as a result of the following events:

- 45,000,000 Options (in aggregate) were issued to Directors (15,000,000 Options to each Director). The Options are exercisable at \$0.007 (0.7 cents) each on or before 30 June 2022. Shareholder approval was received at the Company's Extraordinary General Meeting held on 26 July 2019.
- 75,000,000 Options were issued as part of a share placement to professional sophisticated investors. Placement subscribers were granted one (1) free attaching Option for every one (1) share subscribed for under the placement. The Options are exercisable at \$0.007 (0.7 cents) each on or before 30 June 2022. During the reporting period 21,000,000 shares were issued following the exercise of an equivalent number of these Options.
- 10,000,000 Options (in aggregate) were issued to the Company's CEO, Ian Warland under the Company's Performance Rights and Share Option Plan. The Options are exercisable at \$0.007 (0.7 cents) each on or before 30 June 2022. 5,000,000 Incentive Options vest immediately and 5,000,000 vest 12 months from the date of grant.
- 15,000,000 Options were issued to a third-party advisor as consideration for providing advisory services to the Company. The Options are exercisable at \$0.007 (0.7 cents) each on or before 30 June 2022.
- 15,000,000 Options were issued to a broker in relation to the share placement announced by the Company on 6 February 2020. The Options are exercisable at \$0.015 (1.5 cents) each on or before 31 December 2022.

Refer Note 14 for further details regarding the movement in unlisted options during the year.

## **Dividends**

No dividends were declared or paid during the financial year. No recommendation for payment of dividends has been made to the date of this report.

## **Principal Activities**

The principal activity of the Group during the year was minerals exploration across licenses in Western Australia and New South Wales.

On-ground exploration activities focussed on the Rover Project in WA where the Company discovered shallow high grade gold mineralisation at the Creasy 1 and Harmonic prospects. The Company also completed a campaign of RC drilling to test several compelling bedrock conductors for volcanic massive sulphide mineralisation (VMS).

The Company is in the process of assessing the Creasy 1 and Harmonic gold prospects while continuing to build a pipeline of high quality gold and base metal targets at Rover for drill testing. In August 2020 tenement E57/1134 was granted bring the total continuous tenement holding at Rover to an extensive 461sq.km.

At the Perseus Project in NSW the Company announced to ASX that it had entered into a binding Memorandum of Understanding (MOU) with Peel Far West Pty Ltd (a subsidiary of Peel Mining; PEX) and private group New Zinc Resources Pty Ltd (NZR) to form the Mundi Mundi Project (MMP). TSC will contribute its highly prospective Perseus Project to the MMP, which complements contiguous tenements to be contributed by PEX and NZR. Combined MMP tenure will be held in a new vehicle (NewCo). To optimise the MMP and ultimately create value for shareholders, NewCo will seek a major partner to fund exploration and development work.

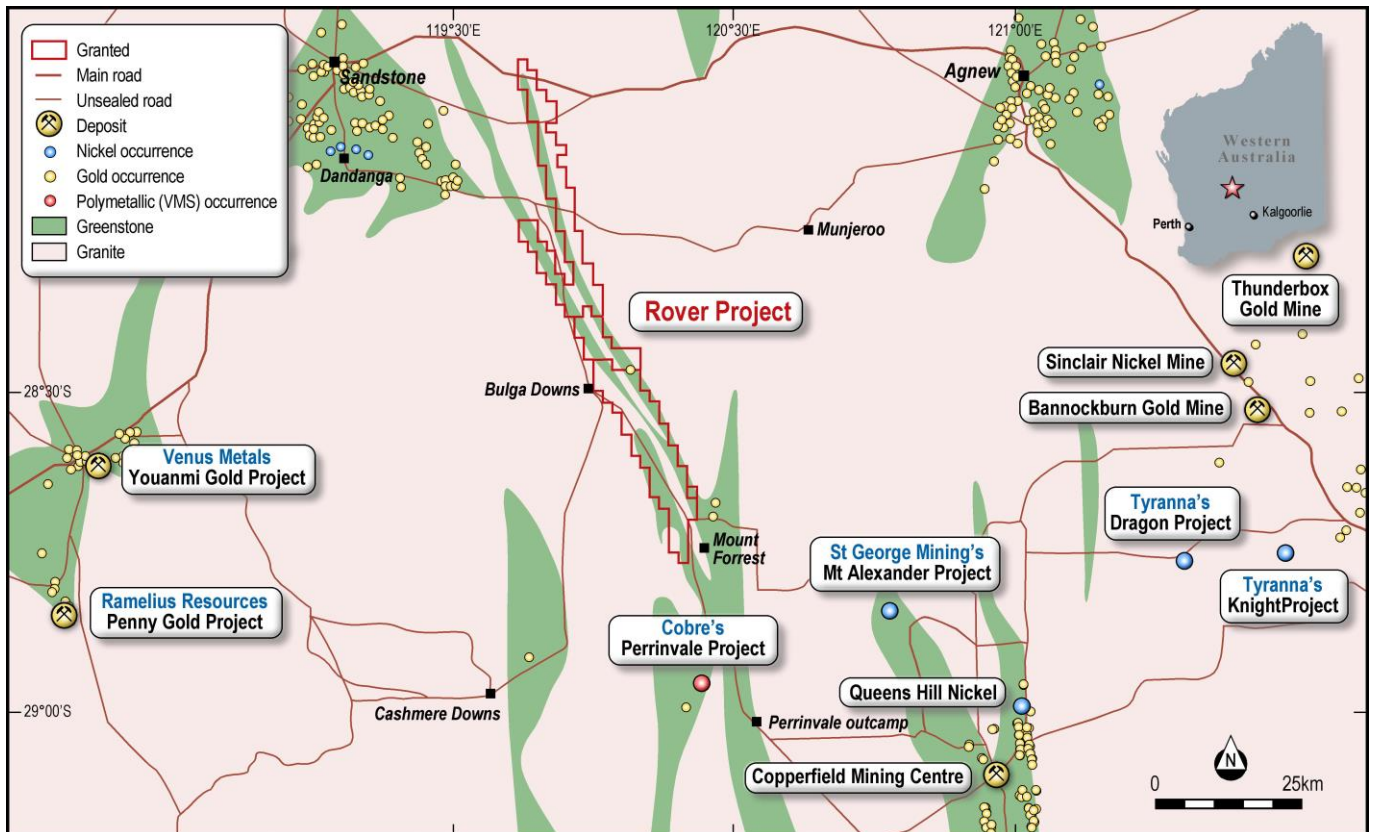
## **Likely developments and expected results of operations**

During the next financial year, the Company will pursue its strategy set out in the Review of Operations detailed earlier.

# Exploration Projects

## Rover Project, Western Australia (tenement E57/1085, E57/1120 and application E57/1134)

The Rover Project is located around 30km east of Sandstone in WA, which is a base metal and gold rich mineral region associated with Archean greenstone belts of the Central Yilgarn Craton. The Company has continued to extend the Rover Project area with the grant of EL57/1134 now bringing the number of granted tenements to three covering some 461km<sup>2</sup>. Consequently, the Company now has a sizeable footprint which covers significant portions of the Maynard Hills and Cook Well greenstone belts (Figure 1).



**Figure1: Rover Location Map over simplified geology**

The Rover Project is located near supportive mining infrastructure, with the Sandstone greenstone belt having produced around 1.3Moz of gold in the past. Notably, Middle Island Resources (ASX: MDI) has a resource of >500,000oz gold and an idle gold processing plant located near Sandstone. The Rover Project is well positioned to take advantage of gold processing facilities that may be restarted within the region in the future.

The Rover tenure covers two linear strike extensive Archean greenstone belts, the western Cook Well greenstone belt and the eastern Maynard Hills greenstone belt (Figure 1). In the Yilgarn, greenstones are well known for economic gold and base metal mineralisation. Cobre (ASX: CBE) has discovered a gold rich volcanic massive sulphide (VMS) deposit at the Perrinvale project that lies around 25km south of TSC's tenement boundary. This discovery has highlighted the potential for VMS at the Rover Project and the Company is currently assessing the VMS prospectivity in tandem with gold exploration.

At TSC's Rover project previous exploration data and aeromagnetic imagery suggests the greenstone belts are continuous and may extend the full length of the tenements, giving a combined greenstone belt strike length of ~140km. These greenstones are largely obscured by shallow regolith units which has hampered exploration in the past.

The Creasy 1 gold prospect straddles the Rover and Bulga tenement on the Maynard Hills greenstone belt and was originally drilled by Mindax in 2005 with shallow gold mineralisation intersected up to 3m @ 1.94g/t Au from 53m.

## Exploration Projects

In late 2019 and early 2020 TSC completed two rounds of RC drilling at Harmonic and Creasy 1 gold prospects. The RC drilling was successful in intersecting significant gold mineralisation in several holes at Creasy 1 with grades up to 1m @ 51.2g/t Au from 54m. The RC drilling also intersected gold associated with silver and base metal anomalism at the newly named Harmonic prospect located around 350m north of Creasy 1 (Figure 3).

### Harmonic gold prospect

Harmonic prospect contains gold mineralisation from surface extending for around 180m along strike and remains open along strike and downdip (Figure 2). Significant RC drill assays include:

- 10m @ 1.8g/t Au from 44m (20RVRC020) including 1m @ 9.2g/t Au from 46m,
- 13m @ 1.2g/t Au from 58m (20RVRC020) including 1m @ 11.8g.t Au from 59m,
- 14m @ 1.0g/t Au from 19m including 2m @ 3.3g/t Au & 21.2g/t Ag from 26m (19RVRC008),
- 9m @ 1.4g/t Au including 1m @ 7.25g/t from 58m (19RVRC007),
- 1m @ 11.7 g/t Au from 103m (20RVRC023),
- 10m @ 1.0g/t Au from 71m (20RVRC023) including 4m @ 1.5 g/t Au from 75m,
- 8m @ 1.0g/t Au from 0m (20RVRC018) including 1m @ 3.5g/t Au from 2m, and
- 10m @ 0.5g/t Au from 27m (20RVRC022) including 2m @ 1.2g/t Au from 27m.

Significantly, 1m @ 11.7g/t Au from 103m in 20RVRC023 is located at the southern end of the prospect and this remains open along strike for at least 350m; this is where drilling at the northern extent of Creasy 1 intersected 2m at 1.0g/t Au from 37m (20RVRC024).

Detailed mapping and sampling completed at Harmonic in July 2020 confirmed gold anomalism at surface for up to 650m, while drilling has only tested 180m of this prospective area. Future drilling will test down dip and potential strike extensions at the Harmonic prospect.

### Creasy 1 gold prospect

Creasy 1 gold prospect comprises gold mineralisation hosted in the Illara shear zone over a 1,500m strike length. The Illara shear is between a prominent outcropping quartzite ridge in the east and a package of mafics / metasediments / BIF to the west. Shallow gold mineralisation was first intersected by the Company in December 2019. A follow up drilling program in March 2020 extended mineralisation at Creasy 1. Significant intercepts at Creasy 1 are listed below and shown in Figure 2:

- 15m @ 3.8g/t Au from 49m (19RVRC001) including 1m @ 51.2g/t Au from 54m,
- 5m @ 9.0g/t Au from 51m (19RVRC006) including 1m @ 44.2g/t Au from 51m,
- 4m @ 4.3g/t Au from 104m (19RVRC014) including 1m @ 14g/t Au,
- 4m @ 2.2g/t Au from 56m (20RVRC035) including 1m @ 5.6 from 57m,
- 8m @ 1.0g/t Au from 65m (20RVRC033) including 1m @ 6.4g/t Au from 71m,
- 6m @ 1g/t Au from 27m (19RVRC003),
- 4m @ 1.4g/t Au from 34m (19RVRC013) including 1m @ 2.4g/t Au from 36m,
- 3m @ 1.5g/t Au from 35m (20RVRC032) including 1m @ 3.5g/t Au from 37m,
- 2m @ 3.2 g/t Au from 105m (20RVRC037) including 1m @ 5.2g/t Au from 106m,
- 2m @ 1.0 from 134m (20RVRC037) including 1m @ 1.3g/t Au from 135m,
- 8m @ 0.6g/t Au from 57m (20RVRC025) including 3m @ 1.3g/t Au from 57m,
- 2m @ 1g/t Au from 37m (20RVRC024),
- 12m @ 0.6g/t Au from 46m (20RVRC028) including 1m @ 1.6g/t Au from 46m and 2m @ 1.4g/t Au from 49m, and
- 1m @ 1.2g/t Au from 66m (20RVRC036)

Creasy 1 has two main areas of higher grade and future drilling will concentrate on defining the mineralisation continuity along strike and downdip (Figure 2).

# Exploration Projects

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## VMS potential

In the late 2019 RC drilling program encouraging zinc anomalism was intersected at Creasy 2 VMS prospect located to the south of Creasy 1. Two RC drill-holes attempted to drill under the Creasy 2 gossan, near the original rock chip sample RVR069, with RC drill-hole 19RVRC016 successfully intersecting a thick zone of highly anomalous zinc including: 24m @ 1825ppm Zn from surface and grades up to 3020ppm Zn in an individual 3m composite sample. Further zinc anomalism was found at depth in the same drill hole, including 6m @ 2210ppm Zn from 33m.

During the first half of 2020 the Company undertook geophysical programs including airborne electromagnetic (AEM) survey followed up by selected ground electromagnetic surveys (MLTEM). This identified eight bedrock conductors that were successfully drill tested in May 2020. Results were encouraging with several gold and base metal anomalies intersected in the drilling.

Three holes were drilled at Creasy 2 into a complex bedrock conductor (RXC04). Of these, drill-hole 20RVRC040 intersected a broad 30m sulphidic zone averaging around 4% pyrite and containing anomalous silver up to 3m @ 4.6g/t Ag from 83m. Closer to surface, the drill-hole intersected a 27m long interval (from 17m) of elevated zinc (to 0.12% Zn), lead (to 0.11% Pb), and silver (7.3g/t Ag).

Drill-hole 20RVRC043, at the southern end of Creasy 2, confirmed the strong bedrock conductor (RXC05) to be sourced by two zones of sulphide mineralisation dominated by pyrite and pyrrhotite including;

- **21m of anomalous sulphides from 74m with maximum zinc values to 3m @ 0.11% Zn from 92m; and**
- **15m of anomalous sulphides including 3m of massive sulphide from 191m, with weakly anomalous silver up to 0.6g/t Ag**

The presence of massive sulphide, although dominated by pyrite and pyrrhotite in 20RVRC043, is an encouraging sign for VMS style mineralisation at the Rover Project.

As part of the drilling program anomalous gold was also intersected including:

- **3m @ 1.75g/t Au from 113m (20RVRC049) testing conductor RXC12 – Mistletoe prospect**
- **3m @ 0.17g/t Au from 62m, and 12m @ 0.15g/t Au from 86m, including 3m @ 0.22g/t Au from 86m from (20RVRC044) testing conductor RXC08 - Red Bush prospect**
- **3m @ 0.6 g/t Au, 9.4g/t Ag, 0.16% Zn from 125m (20RVRC045) testing conductor RXC07 – Red Bush prospect**

Subsequent to the period the Company embarked on a extensive soil sampling and auger drilling campaign focusing on the Maynard Hills greenstone belt. This work has already delivered new gold anomalies for drill testing and follow up.

The Company has successfully discovered shallow gold mineralisation at Creasy 1 and Harmonic prospects and also has a number of other gold and VMS targets to test of the coming year.



# Exploration Projects

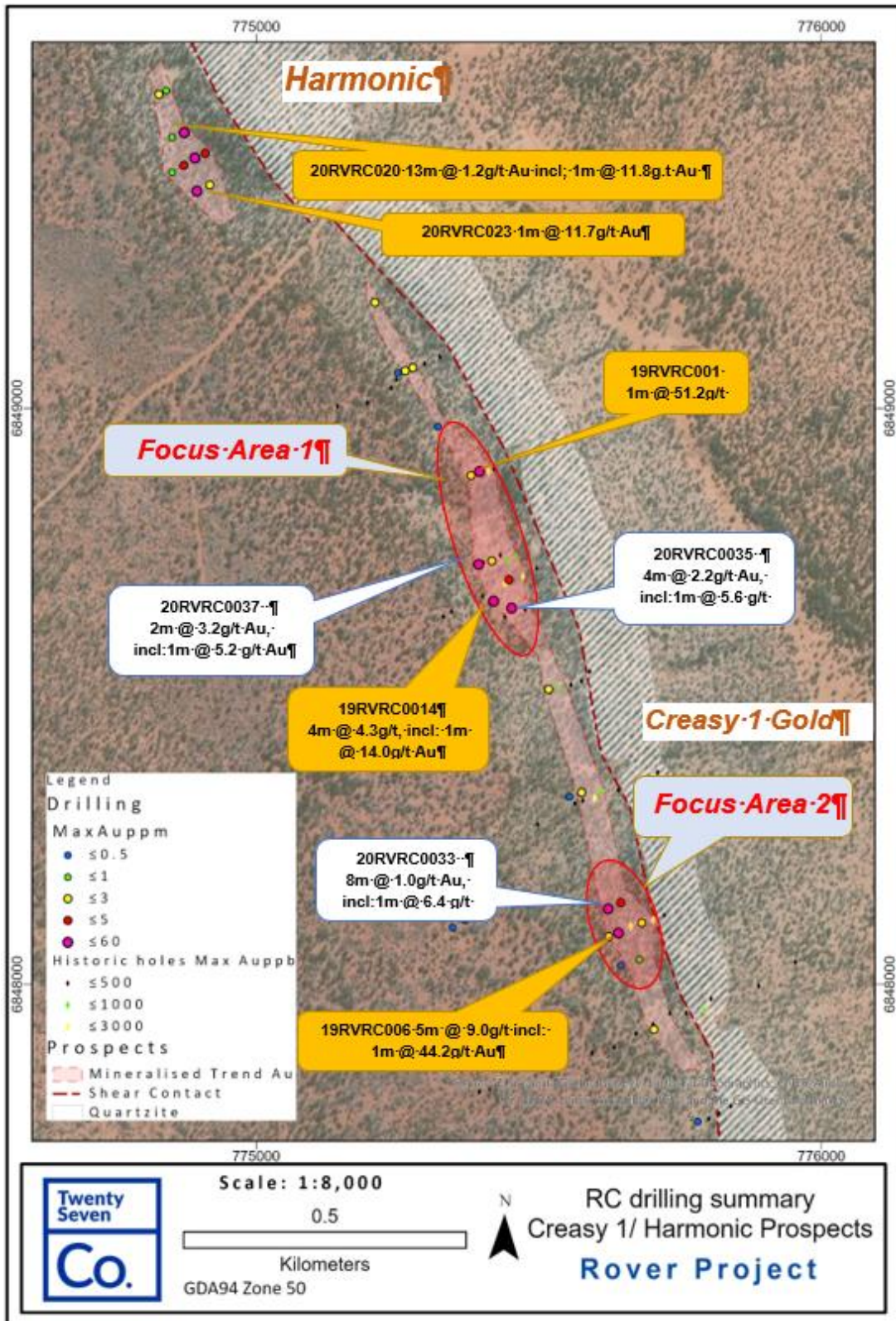


Figure 2: Creasy 1 prospect, historic drilling and soil geochemistry

# Exploration Projects

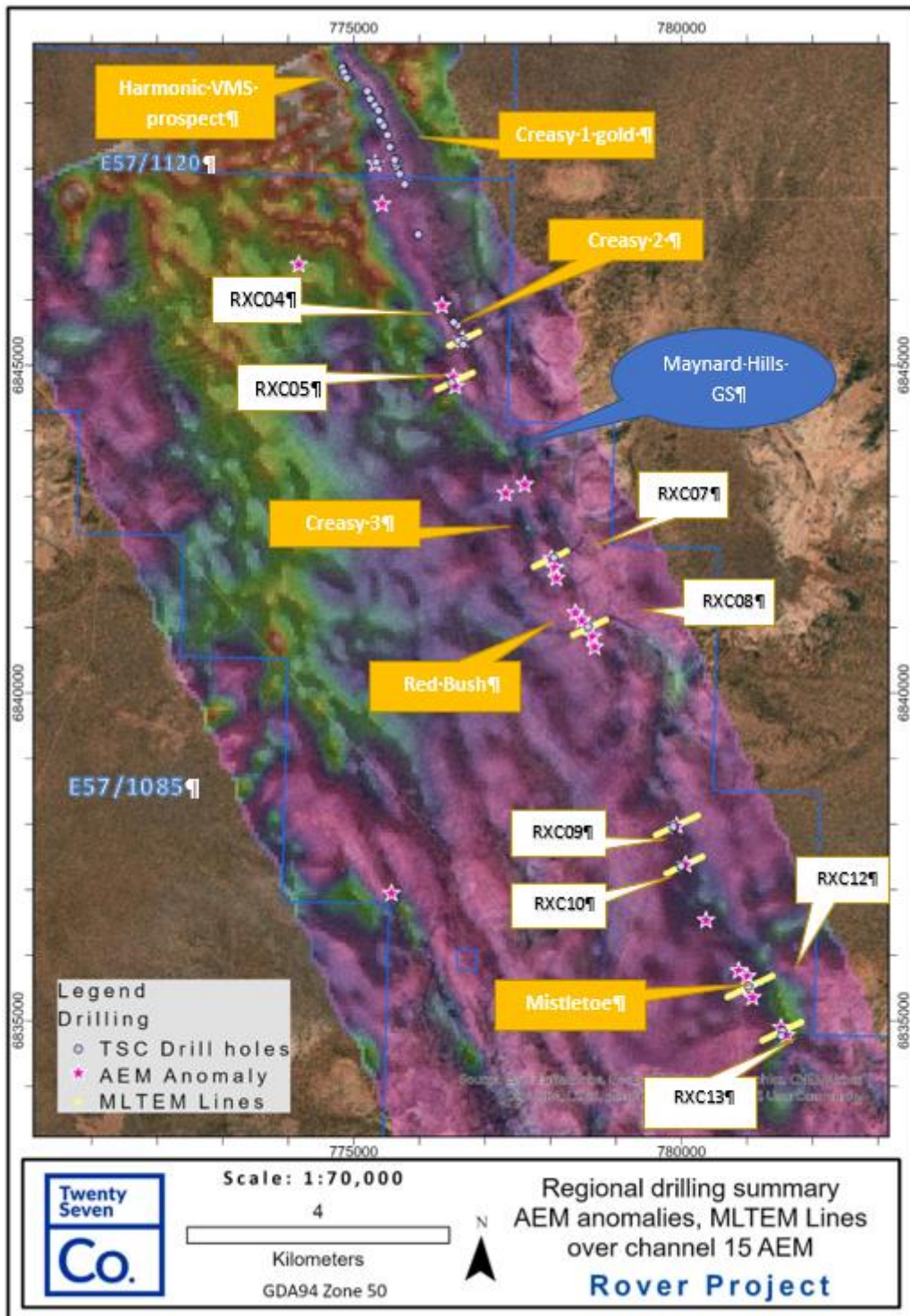


Figure 3: AEM and MLTEM results over channel 15 and TSC targets

# Exploration Projects

## Midas Project NSW (EL 8732)

Midas is located around 40km NE of Broken Hill within the Curnamona Province and is prospective for IOCG in Thackaringa Group rocks (Figure 4). TSC’s exploration in 2018/19 generated several compelling drill targets at the Benco IOCG prospect within the Midas Project. Notably, the geology team conducted regional soil sampling, mapping and rock chip sampling which resulted in the identification of several copper anomalies.

The Benco IOCG prospect consists of several narrow quartz iron oxide vein sets that have been mapped within an NE trending corridor ~ 1.6km long by 300m wide. Assayed rock chips have returned up to 4,160ppm Cu, 369ppm Co and 0.3g/t Au. In December 2018, the Company completed an induced polarization (IP) survey over Benco and identified several chargeability anomalies that may indicate mineralisation at depth. The IP was followed up by ground electromagnetic survey (EM) which refined the drill targets. All necessary government approvals have been obtained for drilling at Benco. The Company is actively looking for a joint venture party to progress the Midas Project.

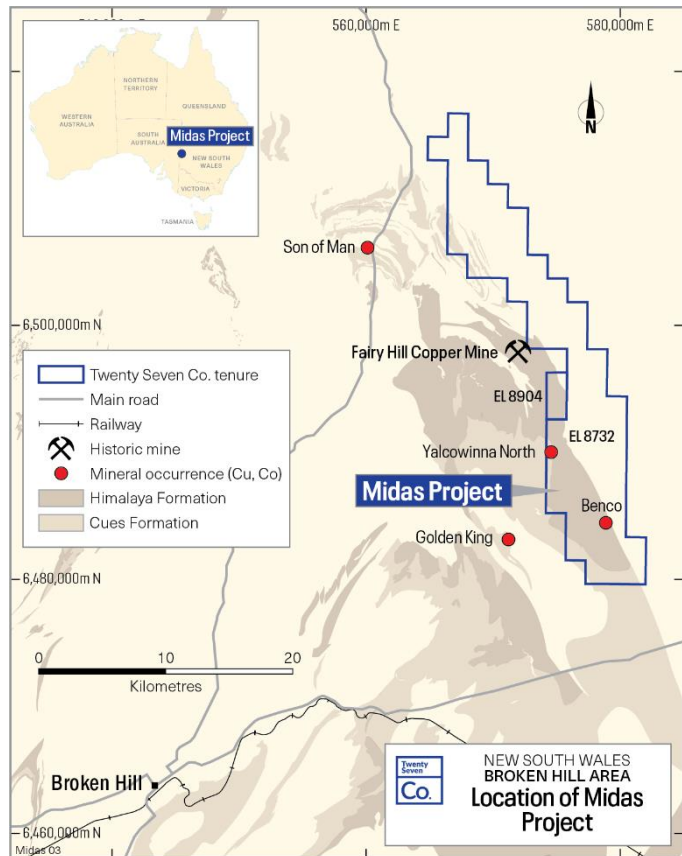


Figure 4: Midas Location Map

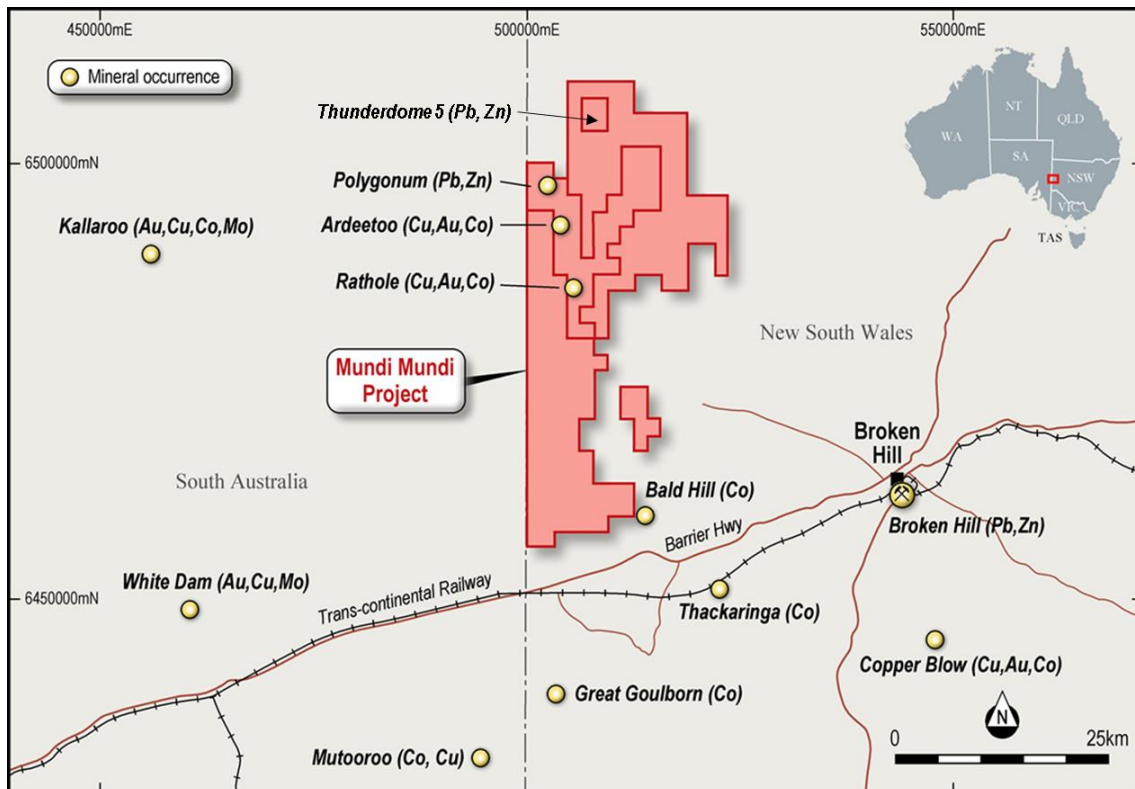
## Mundi Mundi Project NSW

The Company’s 100%-owned Perseus tenement (EL8778) is located within the prospective Curnamona Province, NSW, around 30km to the west of Broken Hill (Figure 6). To date, six high priority IOCG targets have been identified for drill testing. The Geological Survey of NSW’s November 2018 Mineral Potential Report for the Curnamona ranked 3 of the 6 high priority Perseus targets as highly prospective (10/10).

The Curnamona Province is considered part of the IOCG super province that extends from the Gawler Craton to the Eastern Succession of the Mount Isa terrane (Conor and Preiss 2008). The Curnamona is prospective for several styles of mineralisation with the focus at the Perseus Project for IOCG deposits. Regionally, IOCG mineralisation is known to be associated with the redox boundary at the top of the Thackaringa Group which is mappable in the aeromagnetic data, and extends for around 70km within the Perseus Project. The geology team believes Perseus has potential for a large-scale project with high grade mineralisation located in the redox boundary.

During the period, TSC entered into a binding MOU with Peel Far West Pty Ltd (a subsidiary of Peel Mining; PEX) and private group New Zinc Resources Pty Ltd (NZR) to form the Mundi Mundi Project (MMP) – a large highly prospective tenement package in the Broken Hill Block, NSW. This enlarged MMP area, which is highly prospective for IOCG / Broken Hill Type lead-zinc-silver mineralisation, comprises TSC’s Perseus tenement (EL8778) plus contiguous ground from PEX (EL8877) and NZR (EL8729).

# Exploration Projects



**Figure 6: Mundi Mundi Project Location Map**

## Other Projects

During the period, the Company relinquished Pungalina (EL31761), Calvert Hills (EL31787), Pear Tree (EL31788) in the Northern Territory and Kalanbi (EL6220) in South Australia.

The Company continues to actively seek out project opportunities in a effort to grow shareholder value through exploration and discovery mineral deposits.

# Directors' Report

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Your Directors present this report on Twenty Seven Co. Limited and its consolidated entities (Group) for the financial year ended 30 June 2020.

The Operating and Financial Review (which includes the Chairman's Review) of this Annual Report is incorporated by reference in, and forms part of, this Directors' Report.

## Directors

The following directors were in office during the financial year and as at the date of this report:

- Robert Scott – (Non-Executive Chairman)
- Mark Burchnall – (Non-Executive Director)
- Timothy Armstrong – (Non-Executive Director)

## Chief Executive Officer

The following person held the position of Chief Executive Officer during the financial year and as at the date of this report:

- Ian Warland

## Company Secretary

The following person held the position of Company Secretary during the financial year and as at the date of this report:

- Damien Connor

## Meetings of Directors

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

Director	Board of Directors		Audit & Risk Committee	
	A	B	A	B
R Scott	6	6	2	2
M Burchnall	6	6	2	2
T Armstrong	6	6	2	2

Where:

**Column A** is the number of meetings the Director was entitled to attend

**Column B** is the number of meetings the Director attended

Directors have also had additional informal discussions on a regular basis throughout the year.

As at the date of this report, the Group has not formed separate Remuneration or Governance Committees, as these matters are handled by the Board as a whole.

# Directors' Report

## Information on continuing Directors and Management

### Directors

<p><b>Robert Scott</b> FCA, GAICD, TIA <b>Non-Executive Chairman</b></p>	<p><b>Experience:</b> Robert has been on Sandfire Resources' Board since 2010 and has overseen the development and commercialisation of the world-class, high-grade Degruessa Copper-Gold Mine in Western Australia as well as its ongoing exploration commitment. Mr Scott has current Board experience in the mining and energy sectors includes RTG Mining Inc which has advanced copper &amp; gold exploration interests in the Philippines and Bougainville. Previously, Mr Scott served on the Boards of CGA Mining Ltd (a major gold producer in the Philippines) and NASDAQ-listed, Lonestar Resources US Inc which is a Texas-based producer of shale oil. A notable feature of Mr Scott's career is that he has been involved with most of these Groups for many years, facilitating enhanced strategic insight and experience at a global level as the businesses have grown. Mr Scott is a Chartered Accountant with &gt;35 years' experience as a corporate advisor at major accounting firms. He retired as an international partner from Arthur Anderson to pursue Non-Executive Director roles. Mr Scott is a fellow of the Institute of Chartered Accountants, member of the Taxation Institute of Australia and of the Australian Institute of Company Directors.</p> <p><b>Interest in Shares and Options:</b> 6,000,000 ordinary shares and 15,000,000 unlisted options</p> <p><b>Special Responsibilities:</b> Non-Executive Chairman. Member, Audit &amp; Risk Committee.</p> <p><b>Directorships of other ASX Listed entities in the last 3 years:</b> Sandfire Resources NL (ASX: SFR), Castillo Copper Limited (ASX: CCZ), RTG Mining Inc (ASX: RTG), Resimac Group Limited (ASX: RMC) and Lonestar Resources US inc.</p>
<p><b>Mark Burchnell</b> LLB, BA <b>Non-Executive Director</b></p>	<p><b>Experience:</b> Mark is a corporate lawyer with over 20 years' experience in the mining and natural resources industry. He is currently a Director of Perth boutique law firm Murcia Pestell Hillard and previously worked for a number of top-tier Australian law firms including Allens and Clayton Utz. Mark's experience also includes having worked for several years in executive roles with publicly listed exploration and mining companies, both in Australia and the UK, including having held either senior managerial or Board-level roles (variously as a Non-executive, Executive and Managing Director) for companies including Sylvania Platinum (AIM), Nyota Minerals (ASX/AIM), Washington Resources (ASX), Carlton Resources (AIM) and Bezant Resources (AIM).</p> <p><b>Interest in Shares and Options:</b> 6,000,000 ordinary shares and 15,000,000 unlisted options, held via Storm Enterprises Pty Ltd. Storm is an investment vehicle for the equity Directors of the law firm Murcia Pestell Hillard (MPH), of which Mr Burchnell is one, and it is a condition of MPH's equity Directors consenting to Mr Burchnell holding his position as a Director of the Company that any remuneration to which he becomes entitled, whether in cash or securities, is divided amongst MPH's equity Directors in accordance with their relevant partnership interests in that firm. Mr Burchnell has no capacity to determine the outcome of Storm's financial and operating policies, does not have a relevant interest in securities held by Storm and is not otherwise able to influence the basis on which Storm makes investment decisions.</p> <p><b>Special Responsibilities:</b> Member, Audit &amp; Risk Committee.</p> <p><b>Directorships of other ASX Listed entities in the last 3 years:</b> None.</p>
<p><b>Timothy Armstrong</b> <b>Non-Executive Director</b></p>	<p><b>Experience:</b> Tim has spent the past 6 years in finance sector building networks in the equity markets in Australia and abroad, Tim was instrumental in building Stocks Digitals financial public relations business in the UK, building relationships with London corporates, brokers and key advisors. A former professional cricketer that has played in many successful teams including NSW, WA and Australia.</p> <p><b>Interest in Shares and Options:</b> 6,000,000 ordinary shares and 15,000,000 unlisted options</p> <p><b>Special Responsibilities:</b> Member, Audit &amp; Risk Committee.</p> <p><b>Directorships of other ASX Listed entities in the last 3 years:</b> None.</p>

## Management

<p><b>Ian Warland</b> <i>BSc (Hons), GradDipAppFin, AssDipEnvCont, MAusIMM</i> <b>Chief Executive Officer</b></p>	<p>Ian Warland was appointed as the Company's Chief Executive Officer on 26 July 2018.</p> <p>Mr Warland is a highly experienced and successful geologist with 25 years' experience in Australia and overseas. He completed a Bachelor of Applied Science Geology with First Class Honours from the University of Technology Sydney. Mr Warland was joint recipient for Explorer of the Year in 2006 for the discovery of the Jacinth and Ambrosia zircon-rich mineral sand deposits for Iluka Resources Ltd, and subsequently led the team at Iluka which discovered over 20 million tonnes of heavy mineral sands within the Eucla Basin in South Australia. In addition, Mr Warland has worked in open pit &amp; underground mining, explored domestically &amp; internationally for cobalt, copper, gold, uranium, base metals, lithium and industrial minerals.</p>
<p><b>Damien Connor</b> <i>BCom, CA, GAICD, AGIA</i> <b>Company Secretary/CFO</b></p>	<p>Damien has been a member of the Institute of Chartered Accountants of Australia since 2002 and has over 20 years finance and accounting experience including 15 years in the mining industry. Damien is a Graduate of the Australian Institute of Company Directors, and has a Graduate Diploma of Applied Corporate Governance with the Governance Institute of Australia. Damien also provides Company Secretary and Chief Financial Officer services to a number of other ASX Listed and unlisted entities.</p>

### Significant changes in the state of affairs

The Directors are not aware of any further significant changes in the state of affairs of the Group occurring during the financial year, other than as disclosed in this Annual Report.

### Events since the end of the Financial Year

- On 11 September 2020, the Company announced that it had entered into a Binding Term Sheet ("**Term Sheet**") giving the Company exclusive option to acquire 100% of the share capital of Oz Gold Group Pty Ltd ("**Oz Gold**"). Under the Term Sheet the Company has a 60-day exclusive option period to elect to acquire Oz Gold subject to completing confirmatory due diligence and obtaining any necessary regulatory and shareholder approvals ("**Oz Gold Option**"). The Company paid \$200,000 (excl. GST) to the vendors of the Oz Gold Option upon execution of the Term Sheet. As at the date of this report the Company has not exercised the Oz Gold Option.
- On 11 September 2020, the Company announced a share placement to professional and sophisticated investors to raise \$500,000 (before costs) ("**Placement**"), involving the issue of 100,000,000 fully paid ordinary shares at an issue price of \$0.005 (0.5 cents) per share ("**Placement Shares**"). Subscribers to the Placement were also issued with one (1) free attaching unlisted option for every two (2) share subscribed for under the Placement, exercisable at 1.5 cents each and expiring on 31 December 2022 ("**Placement Options**"). The Placement Shares and Placement Options were issued on 15 September 2020.

The Directors are not aware of any other matter or circumstance that 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.

# Directors' Report

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## Remuneration Report (audited)

The Directors of Twenty Seven Co. Limited present the Remuneration Report in accordance with the Corporations Act 2001 and the Corporations Regulations 2001.

The Remuneration Report is set out under the following main headings:

- A. Principles used to determine the nature and amounts of remuneration
- B. Details of remuneration
- C. Employment Contracts of Directors and other Key Management Personnel
- D. Share based compensation
- E. Other information

### A. Principles used to determine the nature and amounts of remuneration

The Board acts as the remuneration committee as a consequence of the size of the Board and the Group. The Board believes that individual salary negotiation is more appropriate than formal remuneration policies and external advice and market comparisons are sought where necessary. The Board recognises that the attraction of high calibre executives is critical to generating shareholder value. The key management personnel of the Company are the Board of Directors and Executive officers.

Note 4 lists the respective names and roles of the Company's key management personnel.

The Board's Policy for determining the nature and amount of remuneration for the Company's key management personnel is as follows:

- All key management personnel are remunerated based on services provided by each person. Key management personnel paid via payroll receive a superannuation guarantee contribution required by the government of 9.50%, and no key management personnel receive any other retirement benefits. The Board annually reviews the packages of Executive Directors and other key management personnel by reference to the Groups performance, individual performance and comparable information from industry sectors and other listed companies on similar industries.
- The Board may exercise discretion in relation to approving increases, incentives, bonuses and options. The policy is designed to attract the highest calibre of key management personnel and reward them for performance that results in long-term growth in shareholder wealth.
- The Company has a Performance Rights and Share Option Plan, which Directors and other key management personnel are eligible and entitled to participate.
- The Board policy is to remunerate non-executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability.

Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by shareholders at the Annual General Meeting (currently \$500,000). Fees for non-executive Directors are not linked to the performance of the Company.

However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and are able to participate in employee option plans, which may exist from time to time.

Each member of the executive team has signed a formal contract at the time of their appointment covering a range of matters including duties, rights, responsibilities and any entitlements on termination. The standard contract sets out the specific formal job description.

### Use of remuneration consultants

The Company has not engaged the services of a remuneration consultant during the year.



# Directors' Report

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## Performance based remuneration

Performance based remuneration is tailored to increase goal congruence between shareholders, Directors and other key management personnel. This is facilitated through the issue of options to encourage the alignment of personal and shareholder interests.

During the reporting period 10,000,000 unlisted options (Options) have been issued as performance-based remuneration to the Company's Chief Executive Officer and a further 45,000,000 Options (in aggregate) were issued to Directors (15,000,000 Options each) following shareholder approval at the Company's Extraordinary General Meeting held on 26 July 2019.

During the reporting period and as at the date of this report no performance-based options have been exercised or expired.

## Voting and comments made at the Company's 2019 Annual General Meeting

The Company received more than 97% of 'yes' votes on its remuneration report for the 2019 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration report.

## Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the Board has regard to the following in respect of the current financial year and the previous four (4) financial years:

Item	30 June 2020	30 June 2019	30 June 2018	30 June 2017	30 June 2016
Share Price (\$)	\$0.005	\$0.003	\$0.008	\$0.007	\$0.015

# Directors' Report

## B. Details of Remuneration

Details of the nature and amount of each element of the remuneration of each key management personnel (KMP) of the Company are shown in the table below:

### Director and other Key Management Personnel

Employee	Year	Short-Term Benefits		Post employment Benefits	Share Based Payments	Performance Based Remuneration	
		Salary and Fees	Superannuation	Termination Benefits	Unlisted Options <sup>1</sup>	Total	%
		\$	\$	\$	\$	\$	
<b>Non-Executive Directors</b>							
Robert Scott	2020	48,000	-	-	24,000	72,000	33.3%
<i>Independent</i>	2019	12,000 <sup>2</sup>	-	-	-	12,000	-
Mark Burchnall <sup>4</sup>	2020	48,000	-	-	24,000	72,000	33.3%
<i>Independent</i>	2019	12,000 <sup>2</sup>	-	-	-	12,000	-
Tim Armstrong	2020	64,000 <sup>3</sup>	-	-	24,000	88,000	27.3%
<i>Independent</i>	2019	12,000 <sup>2</sup>	-	-	-	12,000	-
Robert Rorrison <sup>5</sup>	2020	-	-	-	-	-	-
<i>Independent</i>	2019	33,455	-	-	-	33,455	-
Martin Janes <sup>5</sup>	2020	-	-	-	-	-	-
<i>Independent</i>	2019	33,059	3,141	-	-	36,200	-
Mark Siford <sup>5</sup>	2020	-	-	-	-	-	-
<i>Independent</i>	2019	22,054	2,095	-	-	24,149	-
Alice McCleary <sup>5</sup>	2020	-	-	-	-	-	-
<i>Independent</i>	2019	26,408	2,508	-	-	28,916	-
<b>Other Key Management Personnel</b>							
Ian Warland	2020	180,000 <sup>6</sup>	17,100	-	28,844	225,944	12.7%
<i>Chief Executive Officer</i>	2019	167,077 <sup>6</sup>	15,872	-	24,250	207,199	11.7%
Damien Connor	2020	112,988	-	-	-	112,988	-
<i>Company Secretary/CFO</i>	2019	128,775	-	-	-	128,775	-
<b>2020 Total</b>	<b>2020</b>	<b>452,988</b>	<b>17,100</b>	<b>-</b>	<b>100,844</b>	<b>570,932</b>	
<b>2019 Total</b>	<b>2019</b>	<b>446,828</b>	<b>23,616</b>	<b>-</b>	<b>24,250</b>	<b>494,694</b>	

<sup>1</sup> In accordance with Accounting Standards, remuneration includes a portion of the notional value of the unlisted options granted during the year. The notional value of options are determined as at the issue date and is progressively allocated over the vesting period. The amount included as remuneration is not indicative of the benefit (if any) that the employee may ultimately realise should the options vest. The notional value of the options as at the issue date has been determined in accordance with the accounting policy detailed at Note 20.

<sup>2</sup> On 2 August 2019, \$36,000 (in aggregate) was settled by the issue of fully paid ordinary shares (being \$12,000 each owing to Mr Scott, Mr Burchnall and Mr Armstrong) following shareholder approval at the General Meeting held on 26 July 2019. In the case of Mr Burchnall, those shares were issued to Storm Enterprises Pty Ltd. Relevantly for the purposes of the Corporations Act 2001 (Cth), Mr Burchnall does not control Storm, nor does he have a relevant interest in shares held by Storm or the ability to influence any decision by Storm whether or not to dispose of those shares.

<sup>3</sup> Mr Armstrong was paid an additional \$16,000 in directors fees relating to additional duties relating to a share placement during the year.

<sup>4</sup> In addition, MPH Lawyers were paid \$11,902 (excl. gst) during the year for legal services rendered to the Company (2019: \$3,952). Mr Burchnall is a Director of MPH Lawyers. The fees were at normal commercial rates.

<sup>5</sup> Mr Rorrison, Mr Janes and Mr Siford each resigned as directors on 12 April 2019. Ms McCleary resigned as a director on 28 November 2018.

<sup>6</sup> On 26 September 2019, \$14,266 in salary owing for the period 1 June 2019 to 31 December 2019 was settled by the issue of fully paid ordinary shares in lieu of cash (\$12,228 relating to current year and \$2,038 related to prior year ended 30 June 2019)

# Directors' Report

## C. Employment Contracts of Directors and Other Key Management Personnel

Remuneration and other terms of employment for the Directors and other Key Management Personnel are formalised in either contracts of employment or service agreements. The main provisions of the agreements relating to remuneration are set out below:

Name	Base Salary	Terms of Agreement	Notice Period
Ian Warland <i>Chief Executive Officer</i>	197,100 p.a (inclusive of 9.50% Superannuation)	<p><b>Contract term:</b> Commenced employment on 26 July 2018 on a 12-month contract term, extendable by the Company for a maximum of a further 4 years.</p> <p><b>Short-term incentive bonus:</b> Short-term incentive bonus as determined by the Board from time to time. No short-term incentive bonus offered for the year ended 30 June 2020.</p> <p><b>Long-term incentive bonus:</b> Eligible to participate in any incentive or bonus plans, as may be introduced by the Company from time to time.</p> <p>During the year ended 30 June 2020, Ian was granted 10,000,000 unlisted options pursuant to the Company's Performance Rights and Share Option Plan. Further details regarding the unlisted options issued to Ian are detailed at Note 20.</p>	Either party may terminate by providing 2 months' notice
Damien Connor <i>Company Secretary and Chief Financial Officer</i>	Variable	Hourly rate contract.	Either party may terminate by providing 3 months' notice

## D. Share Based Compensation

### Unlisted Options

All Options refer to unlisted options (Options) over ordinary shares of the Company, which are exercisable on a one-for-one basis under the terms of the agreements. The Group has established an Incentive Option Plan for the benefit of Directors, officers, senior executives and consultants. Under the Incentive Option Plan, the Company, through the Board, may offer Options to eligible persons on such terms that the Board considers appropriate, including any performance or other vesting hurdles that may apply.

During the reporting period and as at the date of this report, there were no ordinary shares issued on the exercise of Options held by key management personnel and no Options that lapsed or expired.

The following Options were issued to key management personnel as Remuneration during the reporting period.

Issued to	Grant date	Issue date	Number granted	Exercise Price	Expiry date	Number vested
Mr Scott	26 Jul 2019	2 Aug 2019	15,000,000	\$0.007	30 June 2022	15,000,000
Mr Burchnall	26 Jul 2019	2 Aug 2019	15,000,000	\$0.007	30 June 2022	15,000,000
Mr Armstrong	26 Jul 2019	2 Aug 2019	15,000,000	\$0.007	30 June 2022	15,000,000
Mr Warland	11 Sept 2019	26 Sept 2019	5,000,000	\$0.007	30 June 2022	5,000,000
Mr Warland	11 Sept 2019	26 Sept 2019	5,000,000	\$0.007	30 June 2022	-
			<b>55,000,000</b>			<b>50,000,000</b>

Refer to Note 20 for further details regarding Options issued during the reporting period

# Directors' Report

## E. Other Information

### Number of Options held by Directors and Key Management Personnel as at 30 June

The number of Options to acquire shares in the Company held during the reporting period by each of the Key Management Personnel of the Group, including their related parties are set out below

2020							
Key Management Personnel	Balance 1 Jul 2019	Granted as Remuneration	Exercised	Lapsed/ Cancelled	Balance 30 Jun 2020	Vested	Unvested
Mr Scott <sup>1</sup>	-	15,000,000	-	-	15,000,000	15,000,000	-
Mr Burchnall <sup>1</sup>	-	15,000,000	-	-	15,000,000	15,000,000	-
Mr Armstrong <sup>1</sup>	-	15,000,000	-	-	15,000,000	15,000,000	-
Mr Warland <sup>2</sup>	7,500,000	10,000,000	-	-	17,500,000	12,500,000	5,000,000
Mr Connor	-	-	-	-	-	-	-
<b>Total</b>	<b>7,500,000</b>	<b>55,000,000</b>	<b>-</b>	<b>-</b>	<b>62,500,000</b>	<b>57,500,000</b>	<b>5,000,000</b>

<sup>1</sup> On 2 August 2019 nominees of Mr Scott, Mr Burchnall, Mr Armstrong each were each issued 15,000,000 Options following shareholder approval at the Extraordinary General Meeting held on 26 July 2019. The Options are exercisable at \$0.007 (0.7 cents) each on or before 30 June 2022. In the case of Mr Burchnall, the Options were issued to Storm Enterprises Pty Ltd. Mr Burchnall does not control Storm and is not able to influence any decision by Storm to exercise Options held by it.

<sup>2</sup> On 26 September 2019 10,000,000 Options (in aggregate) were issued to the Company's CEO, Ian Warland under the Company's Performance Rights and Share Option Plan. The Options are exercisable at \$0.007 (0.7 cents) each on or before 30 June 2022. 5,000,000 Options vest immediately and 5,000,000 Options vest 12 months from the date of issue.

### Number of Shares held by Directors and Key Management Personnel as at 30 June

The number of shares in the Company held during the reporting period by each of the Key Management Personnel of the Group, including their related parties are set out below

2020				
Key Management Personnel	Balance 1 July 2019	Fees settled in shares	Net other changes	Balance 30 June 2020
Mr Scott <sup>1</sup>	-	6,000,000	-	6,000,000
Mr Burchnall <sup>1</sup>	-	6,000,000	-	6,000,000
Mr Armstrong <sup>1</sup>	-	6,000,000	-	6,000,000
Mr Warland <sup>2</sup>	810,994	4,687,400	7,850,000	13,348,394
Mr Connor	-	-	-	-
<b>Total</b>	<b>810,994</b>	<b>22,687,400</b>	<b>7,850,000</b>	<b>31,348,394</b>

<sup>1</sup> On 2 August 2019 nominees of Mr Scott, Mr Burchnall, Mr Armstrong each were allotted 6,000,000 fully paid ordinary shares in the Company in respect of director fees owing to them as at 30 June 2019. Shareholder approval was received at the Extraordinary General Meeting held on 26 July 2019. In the case of Mr Burchnall, the Shares were issued to Storm Enterprises Pty Ltd. Mr Burchnall does not control Storm and is not able to influence any decision by Storm to trade shares held by it.

<sup>2</sup> On 26 September 2019, 4,687,400 shares were issued to the Company's CEO, Ian Warland, in lieu of cash payments for salary owing for the period 1 June 2019 to 31 December 2019.

### Transactions with Key Management Personnel

None, except for the fees disclosed above.

## END OF AUDITED REMUNERATION REPORT

# Directors' Report

## Unissued Shares Under Option

The following table details unissued ordinary shares in the Company under Option at the date of this report:

Issue date	Number of Shares Under Option	Exercise Price	Expiry date	Number vested and exercisable
20 Nov 2018	2,500,000	\$0.010	31 Dec 2023	2,500,000
20 Nov 2018	2,500,000	\$0.015	31 Dec 2023	2,500,000
20 Nov 2018	2,500,000	\$0.020	31 Dec 2023	2,500,000
28 May 2019	44,500,000	\$0.007	30 Jun 2022	44,500,000
2 Aug 2019	15,000,000	\$0.007	30 Jun 2022	15,000,000
2 Aug 2019	15,000,000	\$0.007	30 Jun 2022	15,000,000
2 Aug 2019	15,000,000	\$0.007	30 Jun 2022	15,000,000
30 Aug 2019	54,000,000	\$0.007	30 Jun 2022	54,000,000
26 Sept 2019	10,000,000	\$0.007	30 Jun 2022	5,000,000
8 Oct 2019	15,000,000	\$0.007	30 Jun 2022	15,000,000
11 Feb 2020	15,000,000	\$0.015	31 Dec 2022	15,000,000
	<b>191,000,000</b>			<b>186,000,000</b>

All Options are unlisted and exercisable into fully paid ordinary shares in the Company on a one for one basis.

### Options Issued

During the reporting period the following Options were issued:

- On 2 August 2019, 15,000,000 Options were issued to the respective nominees for each of the Company's Directors Robert Scott, Mark Burchnall and Tim Armstrong (45,000,000 Options in aggregate), following shareholder approval at the Company's Extraordinary General Meeting held on 26 July 2019. In the case of Mr Burchnall, those Options were issued to Storm Enterprises Pty Ltd. Mr Burchnall does not control Storm and is not able to influence any decision by Storm to exercise Options held by it.
- Pursuant to a share placement announced on 27 August 2019, 75,000,000 Options were issued to placement participants on 30 August 2019. Each share placement participant was issued one free attaching unlisted option for every two shares subscribed for under the share placement. The Options were issued at no cost to the holder are exercisable into fully paid ordinary shares on a one for one basis
- On 26 September 2019, 10,000,000 Options (in aggregate) were issued to the Company's CEO, Ian Warland under the Company's Performance Rights and Share Option Plan.
- On 8 October 2019, 15,000,000 Options were issued to a third-party advisor as consideration for providing advisory services to the Company.
- On 11 February 15,000,000 Options were issued to a broker in relation to the share placement announced by the Company on 6 February 2020.

### Options Exercised

During the reporting period 21,000,000 shares were issued following the exercise of Options. The Company received \$147,000 from the exercise of Options which were exercisable at \$0.007 (0.7 cents) each on or before 30 June 2022.

No further Options were exercised subsequent to the end of the financial year and as at the date of this report.

### Options Lapsed/Expired

On 22 August 2019, 35,000,000 Options, previously issued to Placement participants expired unexercised.

No further Options were expired or lapsed subsequent to the end of the financial year and as at the date of this report.

Refer to Note 14 for further details regarding movement in Options during the reporting period.

# Directors' Report

## Performance Rights (Rights)

The following table details Rights that remain outstanding as at the date of this report:

Grant date	Type	Granted	Exercise Price	Expiry date	Number of shares subject to remaining Rights
13 Aug 2018	Unlisted	140,000,000	Nil	13 Aug 2021	140,000,000
13 Aug 2018	Unlisted	140,000,000	Nil	13 Aug 2023	140,000,000
		<b>280,000,000</b>	-		<b>280,000,000</b>

All Rights are unlisted and convertible into fully paid ordinary shares in the Company on a one for one basis.

Refer to Note 14 for further details regarding movement in Rights during the reporting period

## Environmental Regulation

The Group's operations are subject to significant environmental regulations under the laws of the Commonwealth and/or State. No notice of any breach has been received and to the best of the Directors' knowledge no breach of any environmental regulations has occurred during the financial year or up to the date of this Annual Report.

## Corporate Governance

The Board recognises the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations – 3rd Edition" (ASX Recommendations). The Board monitors and reviews its existing and required policies, charters and procedures with a view to attaining compliance with the ASX Recommendations to the extent deemed appropriate for the size of the Company and the status of its projects and activities.

The Company's Corporate Governance Statement provides a summary of the Company's ongoing corporate governance. It is supported by a number of policies and procedures, code of conduct and formal charters, all of which are located in the Corporate Governance section of the Company's website:

<https://www.twentysevenco.com.au/corporate-governance/>

## Non-Audit Services

The Board of Directors is satisfied that the provision of the non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor, and
- nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board

Details of amounts paid to the auditors of the Company and its related practices for audit and non-audit services provided during the reporting period are set out in Note 5 to the financial statements.

A copy of the Auditor's Independence Declaration as required under s307C of the Corporations Act 2001 is included on page 24 of this Financial Report and forms part of this Directors' report.

## Indemnifying Officers or Auditor

During the reporting period, the Company has paid premiums to insure all Officers of the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of the information to gain advantage for themselves or someone else to cause detriment to the Group.

## Directors' Report

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### **Proceedings on Behalf of the Group**

No person has applied to the Court for leave to bring proceedings on behalf of the Group or to intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

Signed in accordance with a resolution of the Board of Directors.

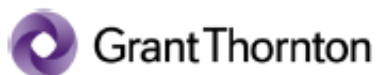


*Robert Scott*  
*Chairman*  
*Perth*

*Dated this 24<sup>th</sup> day of September 2020*

# Auditor's Independence Declaration

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Adelaide SA 5000

Correspondence to:  
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Adelaide SA 5001

T +61 8 8372 6666

## Auditor's Independence Declaration

To the Directors of Twenty Seven Co. Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Twenty Seven Co. 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*

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

B K Wundersitz  
Partner – Audit & Assurance

Adelaide, 24 September 2020

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Grant Thornton Audit Pty Ltd ACN 130 913 594  
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# Financial Information

## Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2020

	Notes	Consolidated Group	
		2020 \$	2019 \$
Income	2	88,086	38,944
Depreciation and amortisation expense		(6,681)	(2,654)
Employee benefits expense		(269,752)	(331,203)
Share based payment expense - employees		(100,843)	(24,250)
Share based payment expense – third party service providers		(50,481)	-
Occupancy expense		(39,788)	(40,603)
ASX listing and registry expense		(93,506)	(69,358)
Impairment of exploration assets	11	(311,452)	(580,920)
Exploration expenditure expensed		(32,540)	(5,131)
Other corporate expenses from ordinary activities		(238,219)	(117,602)
<b>Loss before income tax</b>		<b>(1,055,176)</b>	<b>(1,132,777)</b>
Income tax benefit	3	-	-
<b>Loss for year</b>		<b>(1,055,176)</b>	<b>(1,132,777)</b>
<b>Loss attributable to members of the parent entity</b>		<b>(1,055,176)</b>	<b>(1,132,777)</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income contributable to the members of the parent entity</b>		<b>(1,055,176)</b>	<b>(1,132,777)</b>
<b>Earnings per Share</b>		<i>Cents</i>	<i>Cents</i>
Basic and diluted loss per share	6	(0.08)	(0.12)

The accompanying notes form part of the financial statements

## Statement of Financial Position as at 30 June 2020

		<b>Consolidated Group</b>	
		<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	1,078,630	318,723
Trade and other receivables	8	102,320	30,282
Other current assets	9	12,445	9,482
<b>TOTAL CURRENT ASSETS</b>		<b>1,193,395</b>	<b>358,487</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		50,470	11,710
Exploration and evaluation assets	11	4,428,706	3,505,774
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,479,176</b>	<b>3,517,484</b>
<b>TOTAL ASSETS</b>		<b>5,672,571</b>	<b>3,875,971</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	235,751	97,506
Employee entitlements	13	9,001	3,552
<b>TOTAL CURRENT LIABILITIES</b>		<b>244,752</b>	<b>101,058</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee entitlements	13	2,195	469
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,195</b>	<b>469</b>
<b>TOTAL LIABILITIES</b>		<b>246,947</b>	<b>101,527</b>
<b>NET ASSETS</b>		<b>5,425,624</b>	<b>3,774,444</b>
<b>EQUITY</b>			
Issued capital	14	19,233,786	16,740,774
Reserves	15	850,094	636,750
Retained losses		(14,658,256)	(13,603,080)
<b>TOTAL EQUITY</b>		<b>5,425,624</b>	<b>3,774,444</b>

The accompanying notes form part of the financial statements.

## Statement of Change in Equity for the year ended 30 June 2020

	Issued Capital \$	Share Based Payments Reserve \$	Retained Losses \$	Total \$
<b>Consolidated Group</b>				
<b>Balance at 30 June 2018</b>	<b>13,275,443</b>	-	<b>(12,470,303)</b>	<b>805,140</b>
<b>Transactions with owners</b>				
Shares issued during the year (net of costs)	2,625,331	-	-	2,625,331
Shares issued during the year (vested performance rights)	840,000	-	-	840,000
Fair value of unlisted options issued during the year	-	24,250	-	24,250
Fair value of performance rights issued during the year	-	612,500	-	612,500
<b>Transactions with owners</b>	<b>16,740,774</b>	<b>636,750</b>	<b>(12,470,303)</b>	<b>4,907,221</b>
Total loss for year	-	-	(1,132,777)	(1,132,777)
Total other comprehensive income	-	-	-	-
<b>Balance at 30 June 2019</b>	<b>16,740,774</b>	<b>636,750</b>	<b>(13,603,080)</b>	<b>3,774,444</b>
<b>Transactions with owners</b>				
Shares issued during the year (net of costs)	2,493,012	-	-	2,493,012
Fair value of unlisted options issued during the year	-	213,344	-	213,344
<b>Transactions with owners</b>	<b>19,233,786</b>	<b>850,094</b>	<b>(13,603,080)</b>	<b>6,480,800</b>
Total loss for year	-	-	(1,055,176)	(1,055,176)
Total other comprehensive income	-	-	-	-
<b>Balance at 30 June 2020</b>	<b>19,233,786</b>	<b>850,094</b>	<b>(14,658,256)</b>	<b>5,425,624</b>

The accompanying notes form part of the financial statements

## Statement of Cash Flows for the year ended 30 June 2020

		<b>Consolidated Group</b>	
		<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
Notes			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
	Receipts received from serviced office space	23,777	31,186
	Receipts from Commonwealth Government COVID stimulus	27,710	-
	Payments to suppliers and employees	(666,470)	(601,612)
	Interest received	4,093	7,538
	<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(610,890)</b>	<b>(562,888)</b>
19			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
	Payments for exploration expenditure	(1,088,527)	(522,661)
	Payments for property, plant and equipment	(45,441)	(12,230)
	<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1,133,968)</b>	<b>(534,891)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
	Proceeds from the issue of shares	2,604,500	1,098,500
	Payments for the costs of raising capital	(99,735)	(55,170)
	<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>2,504,765</b>	<b>1,043,330</b>
	<b>Net increase / (decrease) in cash held</b>	<b>759,907</b>	<b>(54,449)</b>
	<b>Cash at the beginning of the financial year</b>	<b>318,723</b>	<b>373,172</b>
	<b>Cash at the end of the financial year</b>	<b>1,078,630</b>	<b>318,723</b>
7			

The accompanying notes form part of the financial statements

**Note 1 - Statement of Significant Accounting Policies**

The financial report includes the consolidated financial statements and notes of Twenty Seven Co. Limited and controlled entities ('Consolidated Group' or 'Group').

**Basis of Preparation**

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

Twenty Seven Co. Limited is a for profit entity for the purposes of preparing the financial statements. The financial report has been presented in Australian dollars.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**a) Principles of Consolidation**

The parent entity controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

A list of controlled entities is contained in Note 10 to the financial statements.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered/(left) the Consolidated Group during the year, their operating results have been included/(excluded) from the date control was obtained/(ceased).

All inter-Group balances and transactions between entities in the Consolidated Group, including any recognised profits or losses, have been eliminated on consolidation.

Accounting policies of subsidiaries have been changed, where necessary, to ensure consistency with those adopted by the parent entity.

**b) Income Tax**

The income tax expense/(income) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities/(assets) are therefore measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense/(income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset recognised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

**Note 1 - Statement of Significant Accounting Policies** continued

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

*Tax Consolidation*

Twenty Seven Co. Limited and its wholly-owned Australian subsidiaries have formed an income tax Consolidated Group under tax consolidation legislation. The Group notified the Australian Tax Office that it had formed an income tax Consolidated Group to apply from 1 July 2006. The tax Consolidated Group has entered a tax funding arrangement whereby each company in the Group contributed to the income tax payable by the Group in proportion to their contribution to the Group's taxable income. Differences between the amounts of net tax assets and liabilities recognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity.

**c) Exploration and Evaluation Expenditure**

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only 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 recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

**d) Leases**

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

*Accounting policy applicable for period ended 30 June 2020*

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the consolidated entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

**Note 1 - Statement of Significant Accounting Policies** continued

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**e) Financial Instruments - initial recognition and subsequent measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**i) Financial assets**

**Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

**Subsequent measurement**

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

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

***Financial assets at amortised cost (debt instruments)***

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

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

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

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

**Note 1 - Statement of Significant Accounting Policies** continued

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

**Impairment of financial assets**

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

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**ii) Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**f) Impairment of Non-financial Assets**

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the



**Note 1 - Statement of Significant Accounting Policies** continued

asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Profit or Loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**g) Interests in Joint Arrangements**

The Consolidated Group's share of assets, liabilities, revenue and expenses of joint operations are included in the appropriate items of the consolidated financial statements.

**h) Employee Benefits**

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled wholly within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for these benefits. Those cashflows are discounted using market yields on high quality corporate bonds with terms to maturity that match the expected timing of cashflows.

**i) Share-based payments**

The Group has an Employee Share Option Plan. The bonus element over the exercise price of the employee's services rendered in exchange for the grant of shares and options is recognised as an expense in the Statement of Profit or Loss and Comprehensive Income. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares or the option granted.

*Equity-settled transactions*

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in Note 20.

With the exception of the cost associated with the acquisition of Nomad Explorations Pty Ltd during the period whereby the value of the performance rights issued as consideration was capitalised to the exploration assets that were acquired (refer Note 24), the cost is ordinarily recognised in employee benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date, reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions. No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

**j) Provisions**

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

**k) Cash and Cash Equivalent**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

**l) Income**

The Group generates income from services fees charged for the rental of office space. This income is recognised over time as the services are provided. Rental income from operating leases is recognised on a straight-line basis over the lease term. Interest income is reported on an accruals basis using the effective interest method. All income is stated net of the amount of goods and services tax (GST).

**Note 1 - Statement of Significant Accounting Policies** continued

**m) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in income in the year in which they are incurred.

**n) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**o) Business Combinations**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

**p) Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

**q) Comparative Figures**

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation of the current financial year.

**r) Critical Accounting Estimates and Judgments**

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained both externally and within the Group.

**Key estimates**

*Impairment*

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in use calculations performed in assessing recoverable amounts incorporate a number of key estimates. Impairment was recognised in respect of exploration and evaluation assets for the year ended 30 June 2020. Impairment recognised for the year ended 30 June 2020 and prior year ended 30 June 2019 related to relinquishment of the tenement(s) to which expenditure had been previously capitalised.

*Exploration and evaluation*

The Group's policy for exploration and evaluation is discussed at Note 1(c).

*Share Based Payments*

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or performance right, volatility and dividend yield and making assumptions about them. The Group initially measures the cost of cash-settled transactions using either a Black Scholes model (for share options) or a binomial and/or Monte-Carlo simulation model (for performance rights) to determine the fair value of the liability incurred.

For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. For the measurement of the fair value of equity-settled transactions at the grant date, the Group uses a Black Scholes model for share options, and a binomial and/or Monte-Carlo simulation model for performance rights. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 20.

**Note 1 - Statement of Significant Accounting Policies** continued

**s) New and Revised Accounting Standards and Interpretations**

**i) New standards and interpretation adopted as at 1 July 2019**

*AASB 16 Leases*

AASB 16 supersedes AASB 117 *Leases and Interpretation 4 Determining whether an Arrangement contains a Lease* and became effective for reporting periods beginning on or after 1 January 2019. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. Accordingly, the Group applied AASB 16 for the first time for the year ended 30 June 2020. The Group did not have any operating lease commitment at 1 July 2019 as the Group currently leases its office space on a month by month contractual basis. The leases held by the Group satisfied the relevant criteria of a short-term lease under AASB 16, therefore this standard had no impact on the Group.

*Interpretation 23 Uncertainty over Income Tax*

The Group has adopted Interpretation 23 from 1 July 2019. The interpretation clarifies how to apply the recognition and measurement requirements of AASB 112 'Income Taxes' in circumstances where uncertain tax treatments exist. The interpretation requires:

- the Group to determine whether each uncertain tax treatment should be treated separately or together, based on which approach better predicts the resolution of the uncertainty;
- the Group to consider whether it is probable that a taxation authority will accept an uncertain tax treatment; and
- if the Group concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, it shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates, measuring the tax uncertainty based on either the most likely amount or the expected value.

In making the assessment it is assumed that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations. The Group has concluded that the initial application of this interpretation does not have an impact on the Group's financial results.

**ii) Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Group**

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the AASB. None of these Standards or amendments to existing Standards have been adopted early by the Group.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's financial statements.

**t) Going Concern**

This financial report has been prepared on the basis of going concern.

The Group incurred a net loss of \$1,055,176 (2019: loss of \$1,132,777) and operations were funded by a cash outlay from operating and investing activities of \$1,744,858 (2019: outlay of \$1,097,779). The cash flow projections of the Group indicate that it will require additional capital for continued operations.

The Group's ability to continue as a going concern is contingent on obtaining additional capital through either an equity capital raise, asset sale or a combination of both. If additional capital is not obtained, then going concern basis may not be appropriate, with the result that the Group may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and at amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

The financial report was authorised for issue on 24 September 2020 by the Board of Directors.

	<b>Consolidated Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Note 2 - Income</b>		
- Serviced office space	22,764	31,397
- Commonwealth Government COVID stimulus	61,104	-
- Interest received	4,218	7,547
<b>Total Income</b>	<b>88,086</b>	<b>38,944</b>
<sup>1</sup> Serviced office space represent amounts received from non-related parties.		
<b>Note 3 - Income Tax Benefit</b>		
a) The components of income tax benefit comprise:		
Current tax	-	-
b) The prima facie tax on loss from before income tax is reconciled to the income tax as follows: 27.5% (2019: 27.5%):		
Net Loss	(1,055,176)	(1,132,777)
Prima facie tax benefit on loss from before income tax at 27.5%	(290,173)	(311,514)
Add/(less):		
Tax effect of:		
- Non-allowable items	(14,329)	-
- Non-allowable items	41,739	-
	(262,763)	(311,514)
Tax effect of temporary differences not brought to account as they do not meet the recognition criteria	262,763	311,514
Income Tax attributable to operating loss	-	-
c) Unused tax losses for which no deferred tax asset has been recognised	6,962,922	6,074,346

**Note 4 - Key Management Personnel Compensation**

**a) Names and positions held of consolidated entity Key Management Personnel (KMP) in office at any time during the financial year are:**

Robert Scott (Non-executive Director)	<i>appointed 12 April 2019</i>
Mark Burchnall (Non-executive Director)	<i>appointed 12 April 2019</i>
Timothy Armstrong (Non-executive Director)	<i>appointed 12 April 2019</i>
Ian Warland (Chief Executive Officer)	
Damien Connor (CFO & Company Secretary)	

**b) Key Management Personnel Compensation**

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key KMP for the year ended 30 June 2020.

The total remuneration paid to KMP of the Group during the year is as follows:

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Short term benefits <sup>1</sup>	452,988	447,113
Post-employment benefits	17,100	23,331
Share - based payments	100,844	24,250
	<b>570,932</b>	<b>494,694</b>

**Note 5 - Auditors' Remuneration**

Remuneration of the auditor for:

- auditing or review of the financial report
- taxation services provided by the practice of the auditor

<b>Consolidated Group</b>	
<b>2020</b>	<b>2019</b>
<b>\$</b>	<b>\$</b>
30,250	30,250
4,000	4,000
<b>34,250</b>	<b>34,250</b>

**Note 6 - Earnings Per Share (EPS)**

**Reconciliation of earnings to Loss**

Loss for year used to calculate basic EPS

(1,055,176)	(1,132,777)
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a) Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted EPS

Number	Number
1,272,995,313	849,447,585

b) In accordance with AASB 133 "Earnings per Share" as potential ordinary shares may only result in a situation where their conversion results in decrease on profit per share or increase in loss per share, no dilutive effect has been taken into account.

## Notes to the Financial Statements for the year ended 30 June 2020

	Consolidated Group	
	2020 \$	2019 \$
<b>Note 7 - Cash and Cash Equivalents</b>		
Short-term deposits	25,462	15,235
Cash at bank and on hand	1,053,168	303,488
	<b>1,078,630</b>	<b>318,723</b>
<p>The short-term bank deposits are held as security for exploration licence bond purposes. The effective interest rate on short term bank deposits at 30 June 2020 is 1.11% p.a (30 June 2019: 2.00%. The deposits have an average maturity of 228 days (30 June 2019: 90 days).</p> <p>The Group's exposure to interest rate risk is summarised at Note 22.</p>		
<b>Note 8 - Trade and Other Receivables</b>		
GST receivable	52,583	8,710
Trade and other receivables <sup>1</sup>	49,602	21,563
Accrued interest	135	9
	<b>102,320</b>	<b>30,282</b>
<p><sup>1</sup> Includes \$20,000 relating to exploration tenement guarantee bonds and \$29,052 relating to Commonwealth Government COVID Stimulus.</p> <p>Trade and other receivables are non-interest bearing and are generally on terms of 30-90 days.</p>		
<b>Note 9 - Other Current Assets</b>		
Prepayments	12,445	9,482
	<b>12,445</b>	<b>9,482</b>

## Note 10 - Investments in Controlled Entities

	Country of Incorporation	Percentage Owned (%)	
		2020	2019
<b>Parent Entity</b>			
Twenty Seven Co. Limited	<i>Australia</i>		
<b>Subsidiaries of Twenty Seven Co. Limited</b>			
TSC Exploration Pty Ltd	<i>Australia</i>	100	100
Fatjack Pty Ltd	<i>Australia</i>	100	100
Boston Minerals Pty Ltd	<i>Australia</i>	100	100

Consolidated Group

**Note 11 - Exploration and Evaluation Assets**

Costs carried forward in respect of areas of interest in:

Exploration and evaluation phases at cost

2020	2019
\$	\$
4,428,706	3,505,774
4,428,706	3,505,774

**a) Movements in carrying amounts:**

Exploration and evaluation

Balance at the beginning of the year

3,505,774	413,476
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Amounts capitalised during the year

1,234,385	3,673,218
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Impairment expense

(311,453)	(580,920)
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Balance 30 June

4,428,706	3,505,774
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During the year no equipment depreciation was included in amounts capitalised as exploration and evaluation costs (2019: Nil).

A summary by tenement is included at Note 16.

**Note 12 - Trade and Other Payables**

Trade payables

208,625	30,724
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Other payables and accruals

27,126	66,782
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235,751	97,506
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**Note 13 – Employee Entitlements**

Current - employee entitlements

9,001	3,552
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Non-Current - employee entitlements

2,195	469
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Total employee entitlements

11,196	4,021
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## Note 14 - Issued Capital

## 30 June 2020

## a) Issued and paid up capital

Fully paid ordinary shares

Consolidated Group	
Number of Shares	30 June 2020 \$
1,486,320,878	19,233,786

## Movements in fully paid ordinary shares

Balance as at 1 July 2019	981,061,284	16,740,774
Shares issued - Director fees (2 Aug 2019) <sup>1</sup>	18,000,000	36,000
Shares issued - Placement (30 Aug 2019)	75,000,000	282,000
Shares issued - Advisor fee (30 Aug 2019)	995,250	3,981
Shares issued - Employee in lieu of salary (26 Sept 2019) <sup>2</sup>	4,687,400	14,266
Shares issued - Share Purchase Plan (1 Oct 2019)	139,500,000	558,000
Shares issued - Options exercised (14 Jan 2020)	21,000,000	147,000
Shares issued - Placement (11 Feb 2020)	246,076,944	1,451,765
<b>Balance as at 30 June 2020</b>	<b>1,486,320,878</b>	<b>19,233,786</b>

## 30 June 2019

## a) Issued and paid up capital

Fully paid ordinary shares

Number of Shares	30 June 2019 \$
981,061,284	16,740,774

## Movements in fully paid ordinary shares

Balance as at 1 July 2018	414,561,284	13,275,443
Shares issued - Placement (2 Aug 2018)	131,500,000	867,850
Shares issued – Nomad acquisition consideration (2 Aug 2018)	16,000,000	112,000
Shares issued - Advisor fee – Nomad acquisition (2 Aug 2018)	30,000,000	210,000
Shares issued – Nomad acquisition consideration (13 Aug 2018)	180,000,000	1,260,000
Shares issued - Rights conversion – Nomad acquisition consideration (13 Aug 2018)	120,000,000	840,000
Shares issued - Placement (28 May 2019)	89,000,000	175,481
<b>Balance as at 30 June 2019</b>	<b>981,061,284</b>	<b>16,740,774</b>

<sup>1</sup> On 2 August 2019, \$36,000 (in aggregate) in outstanding Director fees was settled by the issue of fully paid ordinary shares (being \$12,000 each owing to Mr Scott, Mr Burchnall and Mr Armstrong) following shareholder approval at the General Meeting held on 26 July 2019. In the case of Mr Burchnall, those shares were issued to Storm Enterprises Pty Ltd. Relevantly for the purposes of the Corporations Act 2001 (Cth), Mr Burchnall does not control Storm, nor does he have a relevant interest in shares held by Storm or the ability to influence any decision by Storm whether or not to dispose of those shares.

<sup>2</sup> On 26 September 2019, \$14,266 in salary owing for the period 1 June 2019 to 31 December 2019 was settled by the issue of fully paid ordinary shares in lieu of cash (\$12,228 relating to current year and \$2,038 related to prior year ended 30 June 2019)

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.



Note 14 - Issued Capital continued

c) Options on Issue

Details of the share options outstanding as at the end of the year are set out below:

Issue Date	Options	Expiry Date	Exercise Price	30 June 2020	30 June 2019
22 Feb 2017	Placement	22 Aug 2019	\$0.012	-	35,000,000
20 Nov 2018	ESOP	31 Dec 2023	\$0.01	2,500,000	2,500,000
20 Nov 2018	ESOP	31 Dec 2023	\$0.015	2,500,000	2,500,000
20 Nov 2018	ESOP	31 Dec 2023	\$0.02	2,500,000	2,500,000
28 May 2019	Placement	30 Jun 2022	\$0.007	44,500,000	44,500,000
2 Aug 2019	Directors	30 Jun 2022	\$0.007	45,000,000	-
30 Aug 2019	Placement	30 Jun 2022	\$0.007	54,000,000	-
26 Sept 2019	ESOP	30 Jun 2022	\$0.007	10,000,000	-
8 Oct 2019	Advisor	30 Jun 2022	\$0.007	15,000,000	-
11 Feb 2020	Broker	31 Dec 2022	\$0.015	15,000,000	-
				191,000,000	87,000,000

All Options are unlisted and are exercisable into fully paid ordinary shares in the Company on a one for one basis.

Options exercised during the year

On 2 August 2019, 45,000,000 Options (in aggregate) were issued to Directors (15,000,000 Options to each Director). The Options are exercisable at \$0.007 (0.7 cents) each on or before 30 June 2022. Shareholder approval was received at the Company's Extraordinary General Meeting held on 26 July 2019.

On 30 August 2019, 75,000,000 Options were issued as part of a share placement to professional sophisticated investors. Placement subscribers were granted one (1) free attaching Option for every one (1) share subscribed for under the placement. The Options are exercisable at \$0.007 (0.7 cents) each on or before 30 June 2022.

On 26 September 2019, 10,000,000 Options (in aggregate) were issued to the Company's CEO, Ian Warland under the Company's Performance Rights and Share Option Plan. The Options are exercisable at \$0.007 (0.7 cents) each on or before 30 June 2022. 5,000,000 Incentive Options vest immediately and 5,000,000 vest 12 months from the date of grant.

On 8 October 2019, 15,000,000 Options were issued to a third-party advisor as consideration for providing advisory services to the Company. The Options are exercisable at \$0.007 (0.7 cents) each on or before 30 June 2022.

On 11 February 2020, 15,000,000 Options were issued to a broker in relation to the share placement announced by the Company on 6 February 2020. The Options are exercisable at \$0.015 (1.5 cents) each on or before 31 December 2022.

Options exercised during the year

During the year, 21,000,000 shares were issued following the exercise of Options. The Company received \$147,000 from the exercise of Options which were exercisable at \$0.007 (0.7 cents) each on or before 30 June 2022.

## Notes to the Financial Statements for the year ended 30 June 2020

### Note 14 - Issued Capital continued

#### d) Performance Rights (Rights)

Details of the performance rights outstanding as at the end of the year are set out below:

Grant Date	Rights	Granted	Expiry Date	Vested and converted into shares	30 June 2020	30 June 2019
13 Aug 2018	Class A	140,000,000	13 Aug 2021	-	140,000,000	140,000,000
13 Aug 2018	Class B	140,000,000	13 Aug 2023	-	140,000,000	140,000,000
					280,000,000	280,000,000

All Rights are unlisted and are convertible into fully paid ordinary shares in the Company on a one for one basis. No Rights were issued, converted, expired or cancelled during the reporting period or as at the date of this report.

#### e) Capital Management

The Group has no externally imposed capital requirements.

### Note 15 - Reserves

Consolidated Group	
2020	2019
\$	\$
850,094	636,750

Share based payment reserve

The share based payments reserve records items recognised as either an expense or capital asset upon valuation of options or performance rights.

During the year ended 30 June 2020 an amount of \$147,344 was expensed to the statement of profit or loss and other comprehensive income for the year ended 30 June 2020 in respect of Options that were issued to Directors, the CEO and third party service providers during the year (30 June 2019: \$24,500).

Additionally, an amount of \$66,000 relating to Options issued to a broker, pursuant to a share placement during the year, was recorded against issued capital within the Statement of Financial Position (being a cost of raising capital).

Refer Note 20 for further details regarding the fair value of Options issued during the year ended 30 June 2020.

Consolidated Group				
			2020	2019
			\$	\$
<b>Note 16 - Tenements</b>	The Group's interest in tenements are as follows:			
Project	Tenement	Commodity	Carrying value \$	Carrying value \$
<b>Western Australia</b>				
Rover	E57/1085	Gold/Nickel/Copper/Cobalt	876,278	151,156
Bulga <sup>1</sup>	E57/1120	Gold/Nickel/Copper/Cobalt	473,968	-
<b>New South Wales</b>				
Midas	EL 8732	Gold/Copper/Cobalt	1,648,183	1,638,800
Midas <sup>1</sup>	EL 8904	Gold/Copper/Cobalt	1,198	
Perseus	EL 8778	Gold/Copper/Cobalt	1,429,079	1,407,233
<b>Northern Territory</b>				
Calvert <sup>2</sup>	EL 31787	Cobalt/Copper	-	157,018
Peartree <sup>2</sup>	EL 31788	Cobalt/Copper	-	151,567
<b>Carrying value of exploration assets</b>			<b>4,428,706</b>	<b>3,505,774</b>

<sup>1</sup> Granted during the year. <sup>2</sup> Relinquished during the year. All tenements are held 100% by the Group.

	Consolidated Group	
	2020 \$	2019 \$
<b>Note 17 – Expenditure Commitments and Contingencies</b>		
<b>a) Expenditure Commitments</b>		
<b>Capital commitments relating to tenements</b>		
The Group is required to meet minimum expenditure requirements of various Australian Government bodies. These obligations are subject to re-negotiation, may be farmed out or may be relinquished and have not been provided for in the financial statements.		
<b>Exploration expenditure commitments</b>		
- Expenditure commitment	1,123,000	740,000

Other than the commitments disclosed above, the Group does not have any commitments at 30 June 2020 (30 June 2019: Nil)

**b) Contingencies**

The Group did not have any contingent liabilities as at 30 June 2020 (30 June 2019: None).

The Group has minimum expenditure commitments on exploration licences as per the terms of the exploration licences. Unexpended commitment for a particular year can be deferred or rolled over to subsequent years of the licence term

**Note 18 - Segment Information**

The Directors have considered the requirements of AASB 8 - Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources have concluded at this time there are no separately identifiable segments. The Group operates in one segment being the minerals exploration across licenses in Western Australia and New South Wales.

	Consolidated Group	
	2020 \$	2019 \$
<b>Note 19 - Cash Flow Information</b>		
<b>Reconciliation of cash flows from operations with Loss after income tax</b>		
Loss after income tax	(1,055,176)	(1,132,777)
Non cash flows in loss:		
- Depreciation expense (net of capitalisation)	6,681	2,654
- Exploration expenditure expensed	32,540	5,131
- Exploration impairment expense	311,452	580,920
- Share based payments expense	151,324	24,250
Changes in assets and liabilities:		
- Increase in trade and other receivables	(75,002)	(851)
- Increase / (Decrease) in trade and other payables	10,115	(42,741)
- Increase in provisions	7,176	526
Net cash used in operating activities	(610,890)	(562,888)

**Note 20 - Share-based Payments**

**a) Unlisted Options**

Options and weighted average exercise prices are as follows for the reporting period presented:

	Number of shares	Weighted average exercise price per share (\$)
Outstanding at 30 June 2018	-	-
Granted	7,500,000	0.015
Exercised	-	-
Forfeited/cancelled	-	-
<b>Outstanding at 30 June 2019</b>	<b>7,500,000</b>	0.015
Granted	85,000,000	0.008
Exercised	-	-
Forfeited/cancelled	-	-
<b>Outstanding at 30 June 2020</b>	<b>92,500,000</b>	0.009

Weighted average remaining contractual life of Options at 30 June 2020 is 2.63 years (30 June 2019: 4.5 years)

**30 June 2020**

Unlisted Options (Options) Issued during the period

On 2 August 2019, 45,000,000 Options (in aggregate) were issued to Directors (15,000,000 Options to each Director), at no cost. Shareholder approval was received at the Company's Extraordinary General Meeting held on 26 July 2019. The Options vested on the date of issue and had a fair value at the grant of \$46,500.

On 26 September 2019, 10,000,000 Options were issued, at no cost, to the Company's Chief Executive Officer, Ian Warland, under the Company's Incentive Option Plan. 5,000,000 Options vest immediately and 5,000,000 Options vest 12 months from the date of issue. The fair value of the 10,000,000 Options at the grant date was \$32,000 (in aggregate). The fair value of the 5,000,000 Options that vest 12 months from the date of issue are being expensed to the Statement of Profit or Loss and Other Comprehensive Income over the 12-month vesting period.

On 8 October 2019, 15,000,000 Options were issued to a third-party advisor (Advisor Options) as consideration for providing advisory services to the Company. The Options vested on the date of issue and had a fair value at the grant of \$72,000.

On 11 February 2020, 15,000,000 Options were issued to a broker (Broker Options) in respect of the share placement announced by the Company on 6 February 2020. The fair value of the Broker Options on the date of grant was \$66,000.

The details of the share based payment related Options outstanding at the end of the reporting period were as follows:

Issued to	Grant Date	Issue Date	Number of Options	Vesting Date	Exercise Price	Expiry Date
CEO	20 Nov 2018	20 Nov 2018	2,500,000	20 Nov 2018	\$0.010	31 Dec 2023
CEO	20 Nov 2018	20 Nov 2018	2,500,000	20 Nov 2018	\$0.015	31 Dec 2023
CEO	20 Nov 2018	20 Nov 2018	2,500,000	20 Nov 2018	\$0.020	31 Dec 2023
Directors	26 Jul 2019	2 Aug 2019	45,000,000	2 Aug 2019	\$0.007	30 Jun 2022
CEO	11 Sept 2019	26 Sept 2019	5,000,000	26 Sept 2019	\$0.007	30 Jun 2022
CEO	11 Sept 2019	26 Sept 2019	5,000,000	26 Sept 2020	\$0.007	30 Jun 2022
Advisors	8 Oct 2019	8 Oct 2019	15,000,000	8 Oct 2019	\$0.007	30 June 2022
Broker	5 Feb 2020	11 Feb 2020	15,000,000	11 Feb 2020	\$0.015	31 Dec 2022

The fair value of the Options issued during the period was calculated by using a Black-Scholes option pricing model.

**Note 20 - Share-based Payments** continued

The fair value of the Options was estimated on the date of the grant using the following assumptions:

Assumption	Director Options	CEO Options	Advisors Options	Broker Options
Exercise price (\$)	0.007	0.007	0.007	0.015
Share price at date of grant (\$)	0.003	0.005	0.005	0.008
Historic volatility (%)	115.2	119.4	117.2	111.6
Risk free interest rate (%)	0.85	0.87	0.56	0.72
Expected life of Options (days)	1070	1023	996	1060

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future tender, which may not eventuate.

The life of the Options is based on the historical exercise patterns, which may not eventuate in the future.

An amount of \$100,843 has been included in the Statement of Profit or Loss and Other Comprehensive Income under 'share based payments expense - employees' for the year ended 30 June 2020 (30 June 2019: \$24,250) relating to the fair value of options issued to Directors and the CEO.

An amount of \$46,500 has been included in the Statement of Profit or Loss and Other Comprehensive Income under 'share based payments expense – third party service providers' for the year ended 30 June 2020 (30 June 2019: Nil) relating to the fair value of the Options issued to a third-party as consideration for providing advisory services to the Company.

An amount of \$66,000 has been included in the Statement of Financial Position for the year ended 30 June 2020, under 'issued capital' (being a cost of raising capital) relating to the fair value of Options issued to a broker, pursuant to a share placement during the year.

Options exercised during the period

No Options issued as remuneration or as payment for services provided to the Company, have been exercised during the year ended 30 June 2020 (30 June 2019: Nil), or as at the date of this report.

Options lapsed/forfeited during the period

No Options issued as remuneration or as payment for services provided to the Company, have lapsed or been forfeited during the year ended 30 June 2020 (30 June 2019: Nil), or as at the date of this report.

**30 June 2019**

Unlisted Options (Options) Issued during the prior period

On 20 November 2018, 7,500,000 unlisted share options (Options) were issued, at no cost, to the Company's Chief Executive Officer, Ian Warland, under the Company's Incentive Option Plan.

The details of the Options issued were as follows:

Grant Date	Number of Options	Exercise Price	Expiry Date
20 November 2018	2,500,000	\$0.010	31 December 2023
20 November 2018	2,500,000	\$0.015	31 December 2023
20 November 2018	2,500,000	\$0.020	31 December 2023

The fair value of the Options issued was calculated by using a Black-Scholes option pricing model. The fair value of the Options was estimated on the date of the grant using the following assumptions:

Share price at date of grant (\$)	0.005
Historic volatility (%)	106.7
Risk free interest rate (%)	2.34
Expected life of option (days)	1,867

## Notes to the Financial Statements for the year ended 30 June 2020

### Note 20 - Share-based Payments continued

An amount of \$24,250 was included in the Statement of Profit or Loss and Other Comprehensive Income under Employee benefits expense for the year ended 30 June 2019.

No Options were exercised during the year ended 30 June 2019.

The Options outstanding at 30 June 2019 had a weighted average exercisable price of \$0.015 and a weighted average remaining contractual life of 4.5 years.

#### b) Shares

##### 30 June 2020

On 30 August 2019, 995,250 shares were issued to a third-party as consideration for providing advisory services to the Company. The shares were issued at \$0.004 each. An amount of \$3,981 has been included in the Statement of Profit or Loss and Other Comprehensive Income under 'share based payments expense – third party service providers' for the year ended 30 June 2020 (30 June 2019: Nil).

On 2 August 2019, \$36,000 (in aggregate) in outstanding Director fees was settled by the issue of fully paid ordinary shares (being \$12,000 each owing to Mr Scott, Mr Burchnall and Mr Armstrong) following shareholder approval at the General Meeting held on 26 July 2019. 18,000,000 shares (in aggregate) were issued to Directors (6,000,000 shares to each Director). In the case of Mr Burchnall, those shares were issued to Storm Enterprises Pty Ltd. Relevantly for the purposes of the Corporations Act 2001 (Cth), Mr Burchnall does not control Storm, nor does he have a relevant interest in shares held by Storm or the ability to influence any decision by Storm whether or not to dispose of those shares.

On 26 September 2019, \$14,266 in salary owing for the period 1 June 2019 to 31 December 2019 was settled by the issue of 4,687,400 fully paid ordinary shares in lieu of cash (\$12,228 relating to current year and \$2,038 related to prior year ended 30 June 2019).

##### 30 June 2019

On 2 August 2018, the Company issued 30,000,000 Shares at a deemed issue price of \$0.007 per share, to Taylor Collison Limited (or their nominee), as consideration for their services provided to the Company in relation to the Acquisition of Nomad Explorations Pty Ltd (now named TSC Exploration Pty Ltd). An amount of \$210,000 was been capitalised against the exploration assets acquired as part of the acquisition costs of Nomad Explorations Pty Ltd.

#### c) Performance Rights (Rights)

	Consolidated Group	
	2020	2019
	Number of Performance Rights	Number of Performance Rights
Balance at the beginning of the period	280,000,000	-
Granted during the period	-	400,000,000
Converted during the period	-	(120,000,000)
Forfeited/cancelled during the period	-	-
<b>Balance at the end of the period</b>	<b>280,000,000</b>	<b>280,000,000</b>

The valuation considered various probabilities associated with each of the respective conversion events being realised prior to expiry of the Rights.

##### 30 June 2020

No Class A or Class B Rights have been converted into fully paid ordinary shares or lapsed/expired, during the reporting period and as at the date of this report.

As at the end of the reporting period and as at the date of this report the number of Rights remains at 280,000,000.

No amount has been included in the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2020 (30 June 2019: Nil).

**Note 20 - Share-based Payments** continued

**30 June 2019**

On 13 August 2018, a total of 400,000,000 Rights were granted to the shareholders of Nomad Explorations Pty Ltd (Nomad) as part consideration for the acquisition of Nomad Explorations Pty Ltd. The Rights were granted in accordance with the Share Sale and Purchase Agreement (SSPA) for the Company's acquisition of Nomad and approved by Shareholders at the Extraordinary General Meeting (EGM) held on 27 July 2018 (Nomad Acquisition).

The 400,000,000 Rights granted, consisted of:

<b>Class</b>	<b>Issue Date</b>	<b>No. of Rights</b>	<b>Vesting Period</b>	<b>Expiry Date</b>	<b>Conversion Event</b>
Class A	13 Aug 2018	140,000,000	18 months from date of issue	13 Aug 2021	The Company announcing to the ASX a drill intercept on any of the tenements currently owned by Nomad ("Nomad Tenements") of at least 7m @500ppm cobalt in at least two drill holes at least 100m apart.
Class B	13 Aug 2018	140,000,000	18 months from date of issue	13 Aug 2023	The Company announcing to the ASX a mineral resource in either the inferred, indicated or measured category (reported in accordance with the JORC Code, 2012 Edition), on any of the Nomad Tenements of at least 10Mt at 750ppm cobalt with a 500ppm cut-off.
Class C	13 Aug 2018	120,000,000	None	27 Jul 2019	The granting of an exploration licence to Nomad in respect of ELA5652 (Perseus) in New South Wales.

Valuation of Rights

**Class C Performance Rights**

On 13 August 2018, the Company announced that the conversion event in respect of the Class C Rights (being the granting of Perseus EL8778 as announced on 26 July 2018) had been satisfied and that it had issued 120,000,000 Shares to Nomad shareholders following the conversion of the Class C Rights.

Given the Class C Rights were issued on 13 August 2018 and converted into an equivalent number of fully paid ordinary shares on the same day, the fair value of these Rights was calculated based on the closing share price on the date of issue. The closing share price on 13 August 2018 was \$0.007 per share.

The fair value of the 120,000,000 Class C Rights was \$840,000, and has been capitalised against the exploration assets acquired as part of the acquisition of Nomad.

**Class A and Class B Performance Rights**

A binomial valuation method was used to determine the fair value of the Class A and Class B Rights.

The fair value of the 280,000,000 Class A and Class B Rights was \$612,500, and was capitalised against the exploration assets acquired as part of the acquisition of Nomad.

## Notes to the Financial Statements for the year ended 30 June 2020

### Note 20 - Share-based Payments continued

The fair value of the Class A and Class B Rights was estimated on the issue date using the following assumptions:

	<u>Class A</u>	<u>Class B</u>
Share price at date of grant (\$)	0.007	0.007
Historic volatility (%)	65	58
Risk free interest rate (%)	2.04	2.33
Vesting period (years)	1.5	1.5
Expected life (years)	3	5

In the prior year ended 30 June 2019, a total fair value of \$1,452,500 in respect of the 400,000,000 Rights issued was capitalised against the exploration assets acquired as part of the acquisition of Nomad.

No amount was included in the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2019.

### Note 21 - Related Party Transactions

#### a) Subsidiaries

Interests in subsidiaries are disclosed in Note 10.

#### b) Key Management Personnel

Disclosures relating to Key Management Personnel are set out in Note 4 and the Remuneration Report.

#### c) Other transactions with related parties

MPH Lawyers were paid \$11,902 (excl. GST) during the year for legal services rendered to the Company (2019: \$3,952). Mr Burchnall is a Director of MPH Lawyers. The fees were at normal commercial rates.

### Note 22 - Financial Risk Management

#### a) Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payables. The Group does not currently undertake hedging of any kind and is not directly exposed to currency risk.

The Group does not have a formally established treasury function. The Board meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.



## Notes to the Financial Statements for the year ended 30 June 2020

### Note 22 - Financial Risk Management continued

The main risk the Group is exposed to through its financial instruments is interest rate risk. The Group holds the following financial instruments:

	Weighted Average Effective Interest Rate		Interest Bearing		Non-Interest Bearing		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	%	%	\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>								
Cash at bank	0.43	1.45	1,053,168	303,488	-	-	1,053,168	303,488
Deposits	1.11	2.00	25,462	15,235			25,462	15,235
Trade and other receivables	-	-	-	-	102,320	30,282	102,320	30,282
<b>Total Financial Assets</b>			<b>1,078,630</b>	<b>318,723</b>	<b>102,320</b>	<b>30,282</b>	<b>1,180,950</b>	<b>349,005</b>
<b>Financial Liabilities</b>								
Trade and other payables	-	-	-	-	(235,751)	(97,506)	(235,751)	(97,506)
<b>Total Financial Liabilities</b>			<b>-</b>	<b>-</b>	<b>(235,751)</b>	<b>(97,506)</b>	<b>(235,751)</b>	<b>(97,506)</b>
<b>Total Net Financial Assets</b>			<b>1,078,630</b>	<b>318,723</b>	<b>(133,431)</b>	<b>(67,224)</b>	<b>945,199</b>	<b>251,499</b>

#### Net Fair Value of Financial Assets and Liabilities

The net fair value of cash and cash equivalents and non- interest bearing monetary financial assets and financial liabilities of the Group approximate their carrying value.

The net fair value of other monetary financial assets and financial liabilities is based on discounting future cash flows by the current interest rates for assets and liabilities with similar risk profiles. The balances are not materially different from those disclosed in the Statement of Financial Position of the Group.

### b) Interest Rate Risk & Sensitivity Analysis

#### Interest Rate Risk

Interest rate risk is managed with a mixture of fixed and floating rate cash deposits. It is the policy of the Group to keep surplus cash in higher yielding deposits.

#### Sensitivity Analysis- Interest Rates

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks. The assessment of the impact of interest rate sensitivity for 30 June 2020 is minor given the low cash balance at year end. Any impacts would be in relation to deposit yields on cash investments.

### c) Credit Risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions, and represents the potential financial loss if counterparties fail to perform as contracted.

The Group has no significant concentrations of credit risk and cash term deposits are limited to high credit quality financial institutions.

The carrying amount of the Group's financial assets represents the maximum credit exposure. Refer to the table above within Note 22 (a) for weighted average interest rates and floating and fixed interest financial instruments.

### d) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and close out market positions.

The Board of Directors are ultimately responsible for Group's liquidity risk management. Liquidity risk is managed by maintaining adequate reserves and investing surplus cash only in major financial institutions.

At the end of the reporting period the Group held cash and at call deposits of \$1,078,630 (2019: \$318,723) and no debt (2019: Nil).

**Note 23 – Events Subsequent to the Reporting Date**

- On 11 September 2020, the Company announced that it had entered into a Binding Term Sheet ("**Term Sheet**") giving the Company exclusive option to acquire 100% of the share capital of Oz Gold Group Pty Ltd ("**Oz Gold**"). Under the Term Sheet the Company has a 60-day exclusive option period to elect to acquire Oz Gold subject to completing confirmatory due diligence and obtaining any necessary regulatory and shareholder approvals ("**Oz Gold Option**"). The Company paid \$200,000 (excl. GST) to the vendors of the Oz Gold Option upon execution of the Term Sheet. As at the date of this report the Company has not exercised the Oz Gold Option
- On 11 September 2019, the Company announced a share placement to professional and sophisticated investors to raise \$500,000 (before costs) (**Placement**), involving the issue of 100,000,000 fully paid ordinary shares at an issue price of \$0.005 (0.5 cents) per share (**Placement Shares**). Subscribers to the Placement were also issued with one (1) free attaching unlisted option for every two (2) share subscribed for under the Placement, exercisable at 1.5 cents each and expiring on 31 December 2022 (**Placement Options**). The Placement Shares and Placement Options were issued on 15 September 2020.

Other than those contained within this report, there has been no other matter or circumstance that 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

	Parent Entity	
	2020	2019
	\$	\$
<b>Note 24 – Twenty Seven Co. Limited Parent Company Information</b>		
<b>Parent Entity</b>		
<b>Assets</b>		
Current assets	902,586	335,011
Non-current assets		
- Loans to subsidiaries	4,536,484	3,524,615
- Investments in subsidiaries	2	2
- Other non-current assets	50,469	11,709
<b>Total Assets</b>	<b>5,489,541</b>	<b>3,871,337</b>
<b>Liabilities</b>		
Current liabilities	61,722	96,424
Non-current liabilities	2,195	469
<b>Total Liabilities</b>	<b>63,917</b>	<b>96,893</b>
<b>Net Assets</b>	<b>5,425,624</b>	<b>3,774,444</b>
<b>Equity</b>		
Issued capital	19,233,786	16,740,774
Share options reserve	850,094	636,750
Retained losses	(14,658,256)	(13,603,080)
<b>Total Equity</b>	<b>5,425,624</b>	<b>3,774,444</b>
<b>Financial performance</b>		
Loss for the year	(1,055,176)	(1,132,777)
Other comprehensive income	-	-
<b>Total loss for the year</b>	<b>(1,055,176)</b>	<b>(1,132,777)</b>

**Guarantees in relation to the debts of subsidiaries**

Twenty Seven Co. Limited has not entered into a deed of cross guarantee with its wholly-owned subsidiaries TSC Exploration Pty Ltd, Fatjack Pty Ltd and Boston Minerals Pty Ltd.

**Contingent Liabilities**

Twenty Seven Co. Limited did not have any contingent liabilities as at 30 June 2020 or 30 June 2019.

**Contractual Commitments**

Lease expenditure commitments

There are no contractual capital commitments for the acquisition of property, plant or equipment at the date of signing this report.

## Directors' Declaration

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The Directors of the Group declare that:

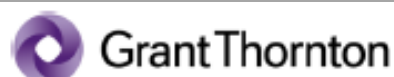
- 1 the Financial Statements and Notes as set out on pages 25 to 51 are in accordance with the *Corporations Act 2001* and:
  - a) comply with Australian Accounting Standards and International Financial Reporting Standards as disclosed in Note 1; and
  - b) give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Group;
- 2 the Chief Executive Officer and the Chief Financial Officer have each declared that:
  - a) the financial records of the Group for the year ended have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
  - b) the financial statements and notes for the financial year comply with the Accounting Standards; and
  - c) the financial statements and notes give a true and fair view;
- 3 in the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.



*Robert Scott*  
*Chairman*  
*Perth*

*Dated this 24<sup>th</sup> day of September 2020*

# Independent Auditor's Report



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Adelaide SA 5000

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Adelaide SA 5001

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## Independent Auditor's Report

To the Members of Twenty Seven Co. Limited

Report on the audit of the financial report

### Opinion

We have audited the financial report of Twenty Seven Co. 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.

### Material uncertainty related to going concern

We draw attention to Note 1(t) in the financial statements, which indicates that the Group incurred a net loss of \$1,055,176 and a cash outflow from operating and investing activities of \$1,744,858 during the year ended 30 June 2020. As stated in Note 1(t), these events or conditions, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

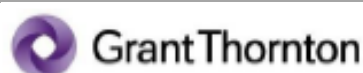
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# Independent Auditor's Report



## 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.

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

Key audit matter	How our audit addressed the key audit matter
<b>Exploration and evaluation assets - Notes 1(c) &amp; 11</b>	
<p>At 30 June 2020, the carrying value of exploration and evaluation assets was \$4,428,706.</p> <p>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.</p> <p>The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.</p> <p>This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"><li>• obtaining the management reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger;</li><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 existed;</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 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>

## 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.

# Independent Auditor's Report



## 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 Twenty Seven Co. 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.

A handwritten signature in blue ink that reads "Grant Thornton".

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

A handwritten signature in blue ink, appearing to be "B K Wundersitz".

B K Wundersitz  
Partner – Audit & Assurance

Adelaide, 24 September 2020

## Additional Information

Compiled as at 21 September 2020

### Distribution of equity securities

#### Number of security holders by size of holding:

Range	Fully Paid Ordinary Shares	Unlisted Options	Performance Rights
1 - 1,000	114	-	-
1,001 - 5,000	316	-	-
5,001 - 10,000	232	-	-
10,001 - 100,000	860	-	-
100,001 - 9,999,999,999	1,201	49	10
<b>Total</b>	<b>2,723</b>	<b>49</b>	<b>10</b>

Minimum \$500.00 parcel at \$0.0085 per unit. There were 1,155 shareholdings of less than a marketable parcel of shares.

### Twenty largest holders of each class of quoted equity security

#### Ordinary Shares

Rank	Name	Units	% Issued Capital
1	STRAT PLAN PTY LTD <DISC-STRAT PLAN A/C>	119,921,649	7.56
2	CITICORP NOMINEES PTY LIMITED	28,971,113	1.83
3	MR BEDE LANCE RAMAH	27,000,000	1.70
4	IMOJS SUPERANNUATION PTY LTD <IMOJS SUPER FUND A/C>	25,000,000	1.58
5	CLARA SERVICES PTY LTD <MAN S CHENG SUPER FUND A/C>	24,678,278	1.56
6	MR JASON FRANK MADALENA <THE MADALENA INVESTMENT A/C>	23,292,310	1.47
7	GREENSEA INVESTMENTS PTY LTD	18,000,000	1.13
8	MR MARTIN MONTULL	16,500,000	1.04
9	INVERTON PTY LTD <ALICE MCCLEARY SUPER A/C>	16,425,381	1.04
10	MR GEORGE ALEXANDER BONNEY	15,000,000	0.95
11	SHAREHOLDERS MUTUAL ALLIANCE PTY LTD <SHMA SUPER FUND A/C>	14,000,000	0.88
12	MR LEIGH HARVIE SEAGER	13,000,000	0.82
13	MR RUSSELL MITCHELL <MITCHELL FAMILY A/C>	12,783,739	0.81
14	MR LUKE WILLIAM WRIGHT RIDHALGH	12,571,429	0.79
15	MR GUY WEST	12,549,116	0.79
16	BLUE SKY DESIGN (WA) PTY LTD	12,000,000	0.76
17	BEIRNE TRADING PTY LTD	11,139,285	0.70
18	MR FRANCIS LYNN SWEENEY	10,742,152	0.68
19	M & K KORKIDAS PTY LTD <M&K KORKIDAS P/L S/FUND A/C>	10,700,000	0.67
20	MR DENNIS JUN TOW	10,500,000	0.66
	<b>TOTAL</b>	<b>434,774,452</b>	<b>27.41</b>

### Substantial Shareholders

The name of the substantial shareholder in the Group, the number of equity securities to which the substantial shareholder and their associates have a relevant interest, as disclosed in substantial holding notices and other notices given to the Group:

Shareholder	Number of Ordinary Shares Held	% of Ordinary Shares Held
STRAT PLAN PTY LTD <DISC-STRAT PLAN A/C>	119,921,649	7.56

### Voting Rights

#### a) Fully paid ordinary shares

On a show of hands, every person qualified to vote, whether as a member or proxy or attorney or representative, shall have one vote. Upon a poll, every member shall have one vote for each share held.

#### b) Unlisted options and unlisted performance rights

No voting rights.

### Corporate Governance Statement

For the year ended 30 June 2020

The Corporate Governance Statement for the Group is located in the Corporate Governance section of the Company's website at: <https://www.twentysevenco.com.au/corporate-governance/>



