XXXX Gold Pty Ltd.

ABN 28 634 004 274

Annual Financial Report

For the Period from Incorporation to 30 June 2020

Contents

Directors' Report

The Directors present their report of XXXX Gold Pty. Ltd. ("Company") for the period from incorporation to 30 June 2020.

Directors
The following persons were directors of XXXX Gold Pty. Ltd. during the whole of the period and up to the date of this report, unless otherwise stated):

Paul Chapman (appointed 10 June 2019)
Damien Keys (appointed 20 July 2019)
Les Davis (appointed 4 May 2020)

Company Secretary
Paul Chapman

Principal Activities

The principal activity of the Company during the financial period was acquiring mineral exploration projects in Queensland. There were no significant changes in these activities during the financial period.

Review of Operations

The net loss after income tax for the period was $34,421.

At the end of the period the Company had $660,712 in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure is $11,723.

Operations during the reporting period were primarily focused on acquiring gold and base metals projects in Queensland.

Matters Subsequent to the End of the Financial Period

Roar Resources Pty. Ltd. - Option and Licence Agreement
On 6 July 2020, the Company entered into the above agreement and simultaneously exercised its option to acquire the Triumph Gold Project from Roar Resources Pty. Ltd.

The consideration payable by the Company for the purchase of the relevant tenements is follows:

1. a payment of $400,000 to be paid at settlement; and
2. a gross royalty of 1%.

In addition, in the event that the Company identifies JORC Resources on the tenements, the following bonus payments are payable:

1. a once-off payment of $1,500,000 upon a JORC Resource of 500,000oz;
2. a once-off payment of $2,000,000 upon a JORC Resource of 1,000,000oz; and
3. a once-off payment of $2,500,000 upon a JORC Resource of 2,000,000oz.

The relevant tenement transfers have been submitted for stamp duty assessment. There are differing opinions of the amount of stamp duty payable ranging from $20,000 to $300,000. At present, the Company has been conservative and is allowing for $300,000 of stamp duty.

Settlement of the transaction is subject to a number of conditions precedent of which the following remain outstanding at the date of this report:

- obtaining indicative approval from the relevant Minister for the transfer of the tenements upon conditions satisfactory to the Company; and
- the Company assuming the obligations of Roar Resources Pty. Ltd. under the Cultural Heritage Management Agreement between Roar Resources and the Port Curtis Coral Coast Registered Native Title Claimants.

North Queensland Tungsten Pty. Ltd. - Option and Licence Agreement
On 29 July 2020, the Company entered into the above agreement and simultaneously exercised its option to acquire the Elephant Creek-Peninsula Project from North Queensland Tungsten Pty. Ltd.

The consideration payable by the Company for the purchase of the relevant tenements is follows:

1. a payment of $70,000 to be paid at Settlement; and
2. a gross royalty payable in respect of all minerals of 1.0 % capped at $500,000.

The relevant tenement transfers have been submitted for stamp duty assessment. There are differing opinions of the amount of stamp duty payable ranging from $3,500 to $28,500. At present, the Company has been conservative and is allowing for $28,500 of stamp duty.

In addition, Macquarie Bank Limited is the holder of a gross royalty of 1.5% payable in relation to tungsten and which is secured by a Mining Royalty Security over the tenements. Both the royalty and the Mining Royalty Security will be assumed by the Company upon completion.

Settlement of the transaction is subject to a number of conditions precedent of which the following remain outstanding at the date of this financial report:

1. Macquarie Bank Limited consenting to the transfer of the tenements to the Company;
2. Macquarie Bank Limited obtaining a security interest over the tenements; and
3. obtaining indicative approval from the relevant Minister for the transfer of the tenements upon conditions satisfactory to the Company.

Non-Binding Memorandum of Understanding with Pelican Resources Limited
On 30 July 2020, the Company's shareholders entered into a non-binding Memorandum of Understanding in which the shareholders agreed to sell a 100% interest in the Company to Pelican Resources Limited.

Completion of the transaction is conditional upon the satisfaction (or waiver) of the following conditions precedent:

(a) completion of satisfactory mutual due diligence by Pelican Resources Limited and the Company;

(b) the Company being the registered holder of all of its granted tenements including those acquired from Roar Resources Pty. Ltd. and North Queensland Tungsten Pty. Ltd.;

(c) the Parties obtaining all necessary regulatory approvals or waivers pursuant to the ASX Listing Rules, Corporations Act 2001 (Cth), or any other law and all third party approvals, consents and necessary documentation required to lawfully complete the matters set out in the non-binding Memorandum of Understanding;

(d) Pelican Resources Limited obtaining from ASX specified waivers and in principle approval to the transaction and the proposed reinstatement of Pelican Resources Limited to the ASX;

(e) Pelican Resources Limited raising approximately $2 million under a prospectus; and

(f) Pelican Resources Limited obtaining a letter from ASX confirming it will grant conditional re-quotation of the its Shares on conditions acceptable to Pelican Resources Limited.

If the transaction cannot be completed as contemplated in the non-binding Memorandum of Understanding by 30 October 2020, then the parties have agreed that for a period of 60 days after 30 October 2020 they will proceed with the intent of the non-binding Memorandum of Understanding. In this event, the parties will look to use Pelican Resources Limited to effectively list the Company on the ASX by way of an initial public offering.

Electro-Training Institute Pty. Ltd. - Commercial Tenancy Agreement
On 23 June 2020, the Company entered into the above agreement in relation to commercial premises at 3/50 Tully Street, South Townsville Queensland 4810. The agreement is for a two year term commencing on 1 July 2020 with a 1 year option to extend. Annual rent is $17,040.

Tenement Applications
On 1 July 2020, the Company applied for additional tenements adjacent to its Hodkinson Gold Project being EPM 27574 and EPM 27575

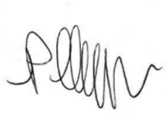
Other than the above, there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial periods.

Significant Changes in the State of Affairs of the Company
Other than as stated in this report there has not arisen during or since the end of the financial period any changes in the state of affairs of the Company.

Auditor's Independence Declaration
A copy of the Auditor's Independence Declaration is set out on the following page.

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

DATED at Perth this 24 August 2020.



Paul Chapman
Director

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of XXXX Gold Pty Ltd for the period ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
24 August 2020

N G Neill
Partner

hlb.com.au

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Statement of Profit or Loss and Other Comprehensive Income
For the Period from Incorporation to 30 June 2020

	Note	Period from Incorporation to 30 June 2020 $
Interest income		-
Total revenue		-
Corporate expenses		(20,943)
Exploration costs written off and expensed	3	(13,478)
Loss before income tax		(34,421)
Income tax benefit/(expense)	4	-
Loss for the year	5	(34,421)
Other comprehensive income		-
Total comprehensive loss for the period		(34,421)

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

Statement of Financial Position
As At 30 June 2020

	Note	30 June 2020 $
Current assets		
Cash and cash equivalents	8	660,712
Other current assets		4,335
Total current assets		665,047
Non-current assets		
Property, plant and equipment		4,388
Deferred exploration and evaluation expenditure	9	11,723
Total non-current assets		16,111
Total assets		681,158
Current liabilities		
Trade and other payables	10	11,079
Total current liabilities		11,079
Total liabilities		11,079
Net assets		670,079
Equity		
Issued capital	12	702,500
Reserves	13	2,000
Accumulated losses		(34,421)
Total equity		670,079

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

Statement of Changes in Equity
For the Period from Incorporation to 30 June 2020

	Issued Capital $	Option Reserve	Accumulated Losses $	Total $
Period from Incorporation to 30 June 2020				
Balance at the date of Incorporation	-	-	-	-
Comprehensive loss for the financial period	-	-	(34,421)	(34,421)
Options issued (net of costs)	-	2,000	-	2,000
Shares issued (net of costs)	702,500	-	-	702,500
Balance at the end of the financial period	702,500	2,000	(34,421)	672,079

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

Statement of Cash Flows
For the Period from Incorporation to 30 June 2020

	Note	Period from Incorporation to 30 June 2020 $
Cash flows from operating activities		
Payments for security bonds		(1,500)
Payments to suppliers and employees		(29,842)
Net cash used in operating activities	4	(31,342)
Cash flows from investing activities		
Payments for exploration and evaluation		(8,058)
Payments for plant and equipment		(4,388)
Net cash used in investing activities		(12,446)
Cash flows from financing activities		
Proceeds from the issue of shares and options	12,13	704,500
Net cash from financing activities		704,500
Net increase/(decrease) in cash held		660,712
Cash at the beginning of the period		-
Cash at the end of the period		660,712

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

Notes to the Financial Statements
For the Period from Incorporation to 30 June 2020

Note 1 Basis of preparation of financial report

(a) Statement of compliance

The financial report was authorised for issue on 24 August 2020.

The Company was incorporated on 10 June 2019. As such, this is the first financial report of the Company. In accordance with the Corporations Act, this financial report covers the period from Incorporation (10 June 2019) to 30 June 2020.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(b) Basis of preparation

The financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial statements comprise the financial statements for the Company. For the purposes of preparing the financial statements, the Company is a for-profit entity.

The accounting policies detailed below have been consistently applied to all of the periods presented unless otherwise stated.

The financial statements have been prepared on a historical cost basis, except for selected non-current assets, financial assets and financial liabilities, which have been measured at fair value as explained in the relevant accounting policies. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

The financial statements are presented in Australian dollars which is the Company's functional currency.

(c) New Standards and Interpretations applicable for the period from incorporation to 30 June 2020

For the period from incorporation to 30 June 2020, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting period. The Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Company accounting policies.

Notes to the Financial Statements
For the Period from Incorporation to 30 June 2020

Note 1 Basis of preparation of financial report (continued)

(d) Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period from incorporation to 30 June 2020. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no change is necessary to Company accounting policies.

As at 30 June 2020, the Company had no commitments pursuant to operating or finance leases, therefore the impact on the accounting policies, financial performance and financial position of the Company from the adoption of AASB 16 is considered to be immaterial and no lease liability or right to use asset has been recognised as at 30 June 2020. However, on 23 June 2020, the Company entered into a commercial tenancy agreement in relation to commercial premises at 3/50 Tully Street, South Townsville Queensland 4810. The commercial tenancy agreement is for a two year term commencing on 1 July 2020 with a 1 year option to extend. Annual rent is $17,040.

(e) Going concern

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

As stated in Note 15 (Events occurring after the reporting date) there has been a number of significant events involving the Company occurring after the reporting date, including:

a. Roar Resources Pty. Ltd. - Option and Licence Agreement regarding the acquisition of the Triumph Gold Project from Roar Resources Pty. Ltd.

b. North Queensland Tungsten Pty. Ltd. - Option and Licence Agreement regarding the acquisition of the Elephant Creek-Peninsula Project from North Queensland Tungsten Pty. Ltd.

c. Electro-Training Institute Pty. Ltd. - Commercial Tenancy Agreement regarding the lease of commercial premises at 3/50 Tully Street, South Townsville Queensland 4810.

d. Tenement Applications – regarding the application for_additional tenements adjacent to the Company's Hodkinson Gold Project.

e. Non-Binding Memorandum of Understanding with Pelican Resources Limited whereby the Company's shareholders have entered into a non-binding Memorandum of Understanding in which the shareholders agreed to sell a 100% interest in the Company to Pelican Resources Limited.

Note 1 Basis of preparation of financial report (continued)

If the transaction with Pelican Resources Limited does not complete, the Directors are confident that the Company will be able to complete a fund raising, initial public offering or similar transaction to meet the Company's funding requirements, including those resulting from the post-balance date acquisitions. The Company's directors therefore believe that it is appropriate to prepare the financial report on a going concern basis.

In the event that the Company is not able to successfully complete a capital raising as referred to above, a material uncertainty would exist as to whether the Company will continue as a going concern and, therefore, whether the Company will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

(f) Income Tax Expense

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Currently, the Company does not recognise any deferred tax balances.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows. In addition, commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Note 1 Basis of preparation of financial report (continued)

(g) Cash and cash equivalents

Cash comprises cash at bank and in hand.

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

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

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(h) Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL);
- equity instruments at fair value through other comprehensive income (FVOCI); and
- debt instruments at fair value through other comprehensive income (FVOCI).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Note 1 Basis of preparation of financial report (continued)

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

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

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other payables fall into this category of financial instruments.

(i) Deferred Exploration and Evaluation Expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the period in which they are incurred where the following conditions are satisfied:

(a) the rights to tenure of the area of interest are current; and

(b) at least one of the following conditions is also met:

 (i) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or

 (ii) exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include the acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

Notes to the Financial Statements
For the Period from Incorporation to 30 June 2020

Note 1 Basis of preparation of financial report (continued)

(j) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial period that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(k) Significant accounting estimates

Exploration and evaluation expenditure

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

The determination of a Joint Ore Reserves Committee (JORC) resource is itself an estimation process that requires varying degrees of uncertainty depending on sub-classification and these estimates directly impact the point of deferral of exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular, whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available.

Note 2 Segment information

The Company has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. The Company's sole activity is mineral exploration and resource development wholly within Australia, therefore it has aggregated all operating segments into the one reportable segment being mineral exploration.

The reportable segment is represented by the primary statements forming these financial statements.

Note 3 Loss for the Period from Incorporation to 30 June 2020

Loss before income tax includes the following specific income/(expenses):

	Period from Incorporation to 30 June 2020 $
Exploration costs	
Exploration costs written off and expensed	13,478
Exploration expenditure written off and expensed	13,478

Notes to the Financial Statements
For the Period from Incorporation to 30 June 2020

Note 4 Income tax recognised in profit or loss

The major components of tax expense are:	Period from Incorporation to 30 June 2020 $
Loss for the period	(34,421)
Current tax benefit @ 30%	10,326
Tax effect of temporary differences not brought to account as they do not meet the recognition criteria	10,326
	-

Note 5 Reconciliation of Loss for the period to net cashflows used in operating activities

	Period from Incorporation to 30 June 2020 $
Net loss for the period	(34,421)
(Increase) / decrease in assets:	
Trade and other receivables	(4,334)
Increase / (decrease) in liabilities:	
Trade and other payables	7,413
Net cash used in operating activities	(31,342)

Note 6 Auditor's Remuneration

The auditor of XXXX Gold Pty Ltd is HLB Mann Judd. No audit fees were payable at 30 June 2020.

Note 7 Dividends

No dividends were paid or proposed during the period. The Company had no franking credits available as at 30 June 2020.

Notes to the Financial Statements
For the Period from Incorporation to 30 June 2020

Note 8 Cash and cash equivalents

	30 June 2020 $
Cash at bank and on hand	660,712

Note 9 Deferred exploration and evaluation expenditure

Carrying value

	30 June 2020 $
Exploration and evaluation costs	11,723

Reconciliation

	30 June 2020 $
Opening balance	-
Expenditure incurred	11,723
Closing balance	11,723

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

Note 10 Trade and other payables

	30 June 2020 $
Trade payables	**11,078**
	11,078

Note 11 Contingencies

(i) Contingent liabilities

There were no contingent liabilities at 30 June 2020.

Notes to the Financial Statements
For the Period from Incorporation to 30 June 2020

Note 12 Issued capital

At Incorporation, the Company issued 1 ordinary fully paid share at $0.01. During the period from Incorporation to 30 June 2020, the Company issued 60,499,999 ordinary fully paid shares at $0.01 per share pursuant to share placements.

In addition, during the period from Incorporation to 30 June 2020 the Company issued 19,500,000 ordinary fully paid shares at $0.005 per share pursuant to a share placement.

	Issue price	2020 No.	2020 $
Share movements during the period			
Balance at Incorporation	$0.010	1	-
Share placement	$0.010	60,499,999	605,000
Share placement	$0.005	19,500,000	97,500
Balance at 30 June 2020		80,000,000	702,500

Note 13 Options

During the period from incorporation to 30 June 2020, the Company issued 20,000,000 options over unissued shares at $0.0001 per option. The options are exercisable at a price of $0.01 at any time until 30 June 2025.

	Issue price	2020 No.	2020 $
Option movements during the period			
Balance at Incorporation		-	-
Option issue	$0.0001	20,000,000	2,000
Balance at 30 June 2020		20,000,000	2,000

Notes to the Financial Statements
For the Period from Incorporation to 30 June 2020

Note 14 Financial Risk

Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of cash and cash equivalents, trade payables and equity, comprising issued capital, reserves and retained earnings/accumulated losses.

The Company's is not subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, dividends and general administrative outgoings where relevant.

Financial risk management objectives

The Company is exposed to, (i) market risk (which includes interest rate risk and commodity price risk), (ii) credit risk and (iii) liquidity risk.

Interest rate risk sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at balance date and the stipulated change taking place at the beginning of the financial period and held constant throughout the reporting period.

A 100 basis point increase or decrease is used when reporting interest rate risk internally to management and represents management's assessment of the change in interest rates.

At balance date, if interest rates had been 100 basis points higher or lower and all other variables were held constant, the Company's:

- Profit or loss would increase by $6,612; and
- Equity reserves would increase by $6,612.

Credit risk management

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to credit risk from financial assets including cash and cash equivalents held at banks and trade and other receivables.

The credit risk is managed on a Company basis based on the Company's credit risk management policies and procedures.

The credit risk in respect of cash balances held with banks and deposits with banks are managed via a deposit with only one major reputable financial bank.

The Company has no trade debtors as at 30 June 2020.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements.

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

Notes to the Financial Statements
For the Period from Incorporation to 30 June 2020

Note 15 Events occurring after the reporting date

Roar Resources Pty. Ltd. - Option and Licence Agreement

On 6 July 2020, the Company entered into the above agreement and simultaneously exercised its option to acquire the Triumph Gold Project from Roar Resources Pty. Ltd.

The consideration payable by the Company for the purchase of the relevant tenements is follows:

1. a payment of $400,000 to be paid at Settlement; and
2. a gross royalty of 1%.

In addition, in the event that the Company identifies JORC Resources on the tenements, the following bonus payments are payable:

1. a once-off payment of $1,500,000 upon a JORC Resource of 500,000oz;
2. a once-off payment of $2,000,000 upon a JORC Resource of 1,000,000oz; and
3. a once-off payment of $2,500,000 upon a JORC Resource of 2,000,000oz.

The relevant tenement transfers have been submitted for stamp duty assessment. There are differing opinions of the amount of stamp duty payable ranging from $20,000 to $300,000. At present, the Company has been conservative and is allowing for $300,000 of stamp duty.

Settlement of the transaction is subject to a number of conditions precedent of which the following remain outstanding at the date of this financial report:

- obtaining indicative approval from the relevant Minister for the transfer of the tenements upon conditions satisfactory to the Company; and
- the Company assuming the obligations of Roar Resources Pty. Ltd. under the Cultural Heritage Management Agreement between Roar Resources and the Port Curtis Coral Coast Registered Native Title Claimants.

North Queensland Tungsten Pty. Ltd. - Option and Licence Agreement

On 29 July 2020, the Company entered into the above agreement and simultaneously exercised its option to acquire the Elephant Creek-Peninsula Project from North Queensland Tungsten Pty. Ltd.

The consideration payable by the Company for the purchase of the relevant tenements is follows:

1. a payment of $70,000 to be paid at Settlement; and
2. a gross royalty payable in respect of all minerals of 1.0 % capped at $500,000.

The relevant tenement transfers have been submitted for stamp duty assessment. There are differing opinions of the amount of stamp duty payable ranging from $3,500 to $28,500. At present, the Company has been conservative and is allowing for $28,500 of stamp duty.

In addition, Macquarie Bank Limited is the holder of a gross royalty of 1.5% payable in relation to tungsten and which is secured by a Mining Royalty Security over the tenements. Both the royalty and the Mining Royalty Security will be assumed by the Company upon completion. Settlement of the transaction is subject to a number of conditions precedent of which the following remain outstanding at the date of this financial report:

1. Macquarie Bank Limited consenting to the transfer of the tenements to the Company;
2. Macquarie Bank Limited obtaining a security interest over the tenements; and
3. obtaining indicative approval from the relevant Minister for the transfer of the tenements upon conditions satisfactory to the Company.

Notes to the Financial Statements
For the Period from Incorporation to 30 June 2020

Note 15 Events occurring after the reporting date (continued)

Electro-Training Institute Pty. Ltd. - Commercial Tenancy Agreement

On 23 June 2020, the Company entered into the above agreement in relation to commercial premises at 3/50 Tully Street, South Townsville Queensland 4810. The agreement is for a two year term commencing on 1 July 2020 with a 1 year option to extend. Annual rent is $17,040.

Tenement Applications

On 1 July 2020, the Company applied for additional tenements adjacent to its Hodkinson Gold Project being EPM 27574 and EPM 27575

Non-Binding Memorandum of Understanding with Pelican Resources Limited

On 30 July 2020, the Company's shareholders entered into a non-binding Memorandum of Understanding in which the shareholders agreed to sell a 100% interest in the Company to Pelican Resources Limited.

Completion of the transaction is conditional upon the satisfaction (or waiver) of the following conditions precedent:

(a) completion of satisfactory mutual due diligence by Pelican Resources Limited and the Company;

(b) the Company is the registered holder of all of its granted tenements including those acquired from Roar Resources Pty. Ltd. and North Queensland Tungsten Pty. Ltd.;

(c) the Parties obtaining all necessary regulatory approvals or waivers pursuant to the ASX Listing Rules, Corporations Act 2001 (Cth), or any other law and all third party approvals, consents and necessary documentation required to lawfully complete the matters set out in the non-binding Memorandum of Understanding;

(d) Pelican Resources Limited obtaining from ASX specified waivers and in principle approval to the transaction and the proposed reinstatement of Pelican Resources Limited to the ASX;

(e) Pelican Resources Limited raising approximately $2 million under a prospectus; and

(f) Pelican Resources Limited obtaining a letter from ASX confirming it will grant conditional re-quotation of the its Shares on conditions acceptable to the Company.

If the transaction cannot be completed as contemplated in the non-binding Memorandum of Understanding by 30 October 2020, then the parties have agreed that for a period of 60 days after 30 October 2020 will proceed with the intent of the non-binding Memorandum of Understanding. In this event, the parties will look to use Pelican Resources Limited to effectively list the Company on the ASX by way of an initial public offering.

Other than the above, there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial periods.

Note 16 Transactions with Key Management Personnel

No member of Key Management Personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

Directors' Declaration

The Directors of XXXX Gold Pty. Ltd. ("the Company") declare that:

(a) the financial statements and notes set out on pages 7 to 22 are in accordance with the Corporations Act 2001, including:

  (i) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
  (ii) give a true and fair view of the financial position as at 30 June 2020 and of the performance for the period from incorporation to that date of the Company.

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

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

Signed at Perth this 24 of August 2020.

Paul Chapman
Director

HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REPORT
To the members of XXXX Gold Pty. Ltd.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of XXXX Gold Pty Ltd ("the Company") which comprises the statement of financial position as at 30 June 2020, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

a) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the period then ended; 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 Company 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(e) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 Company's annual report for the period ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the financial report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 Company 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 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

HLB Mann Judd
Chartered Accountants

N G Neil
Partner

Perth, Western Australia
24 August 2020