KINGFISHER
MINING LTD

**ABN: 96 629 675 216**

# ANNUAL REPORT

## For the Period Ended 30 June 2019

# CONTENTS

**DIRECTORS**

| | |
|---|---|
| Warren Hallam | Executive Chairman |
| Adam Schofield | Non-Executive Director |
| Scott Huffadine | Non-Executive Director |

**SECRETARY**
Stephen Brockhurst

**REGISTERED AND BUSINESS OFFICE**
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Suite 1 GF
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Subiaco WA 6008

**BANKER**
National Australia Bank
1232 Hay Street
West Perth WA 6005

**LEGAL ADVISORS**
Bellanhouse
Level 19, Alluvion
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PERTH WA 6000

**SHARE REGISTRY**
Automic Registry Services Pty Ltd
Level 2
267 St Georges Terrace
Perth WA 6000
Telephone: +61 8 9324 2099

Your Directors submit the financial report of the Company for the period ended 30 June 2019.

## DIRECTORS

The names of Directors who held office during or since the end of the period:

| Name | Title |
|---|---|
| Warren Hallam | Executive Chairman (appointed 4 December 2018) |
| Brent Palmer | Executive Director (resigned 23 May 2019) |
| Adam Schofield | Non-Executive Director (appointed 29 October 2018) |
| Scott Huffadine | Non-Executive Director (appointed 1 March 2019) |
| Donald Thomson | Non-Executive Director (appointed 29 October 2018; resigned 20 November 2018) |

## COMPANY SECRETARY

| Name | Title |
|---|---|
| Stephen Brockhurst | Company Secretary |

## PRINCIPAL ACTIVITIES

During the financial period the principal activities of the Company consisted of Identifying assets suitable for ASX listing.

## REVIEW OF RESULTS

The loss after tax for the period ended 30 June 2019 was $303,200.

## DIVIDENDS

No dividends were paid or declared during the period ended 30 June 2019.

## CORPORATE

Exploration company Kingfisher Mining Limited ('Kingfisher' or 'the Company') was incorporated on 29 October 2018. During the period 4,500,000 shares at $0.01 each were issued and 2,500,000 options exercisable at $0.25 expiring 4 years from date of ASX listing were granted.

## DIRECTORS' QUALIFICATIONS AND EXPERIENCE

The Directors' qualifications and experience are set out below

### Current Directors

| Director | Details |
|---|---|
| **Warren Hallam** | |
| Qualifications | MSc (Min. Econ), BAppSci (Metallurgy), GradDip (Fin) |
| Position | Executive Chairman |
| Appointment Date | 4 December 2018 |
| Resignation Date | N/A |
| Length of Service | 6 months |
| Biography | Mr Hallam is a Metallurgist and a Mineral Economist and holds a Graduate Diploma in Finance. Mr Hallam has considerable technical, managerial and financial experience across a broad range of commodities being predominantly copper, nickel, tin, gold and iron ore. |
| Current ASX Listed Directorships | Nelson Resources Limited |
| Former ASX Listed Directorships | Westgold Resources Limited<br>Metals X Limited<br>Capricorn Metals Limited<br>Millenium Minerals Limited |
| **Adam Schofield** | |
| Qualifications | Dip (MechEng) |
| Position | Non-Executive Director |
| Appointment Date | 29 October 2018 |
| Resignation Date | N/A |
| Length of Service | 8 months |
| Biography | Mr Schofield is an Executive Director with over 20 years' experience in the resources sector in Africa and Australia. He is a Mechanical Engineer with significant experience in conducting feasibility studies and taking projects from feasibility stage into operations. Mr Schofield has an extensive experience in gold, mineral sands, iron ore and copper. |
| Current ASX Listed Directorships | Nelson Resources Limited |
| Former ASX Listed Directorships | N/A |

| Scott Huffadine | |
|---|---|
| Qualifications | BSc (Hons) |
| Position | Non-Executive Director |
| Appointment Date | 1 March 2019 |
| Resignation Date | N/A |
| Length of Service | 4 months |
| Biography | Mr Huffadine holds a Bachelor of Science with Honours. Mr Huffadine is a Geologist with more than 20 years' experience in the resource industry, specifically project management, geology and executive management. Mr Huffadine has held several key management positions ranging from operational start-ups involving open pit and underground mining projects, through to large integrated operations in gold and base metals. He was previously Managing Director of Kingsrose Mining Limited, an Executive Director of Metals X Limited and Managing Director of Westgold Resources Limited. He is also a Director of Pantoro (PNR:ASX). |
| Current ASX Listed Directorships | Pantoro Limited |
| Former ASX Listed Directorships | N/A |

**Former Directors**

| Director | Details |
|---|---|
| **Brent Palmer** | |
| Position | Executive Director |
| Appointment Date | 29 October 2018 |
| Resignation Date | 23 May 2019 |
| **Donald Thomson** | |
| Position | Non-Executive Director |
| Appointment Date | 29 October 2018 |
| Resignation Date | 20 November 2019 |

## MEETINGS OF DIRECTORS

The number of meetings held during the period and the number of meetings attended by each Director was as follows:

| | Board |
|---|---|
| **Number of Meetings Held** | **4** |
| **Number of Meetings Attended:** | |
| Warren Hallam | - |
| Brent Palmer | 4 |
| Adam Schofield | 4 |
| Scott Huffadine | - |
| Donald Thomson | - |

## SHARES UNDER OPTION

There are 1,500,000 unissued ordinary shares of the Company under option at the date of this report.

## SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no ordinary shares of the Company issued during the financial period ended 30 June 2019 and up to the date of this report on the exercise of options.

## DIRECTORS' INTERESTS AND BENEFITS

The movement during the reporting period in the number of fully paid ordinary shares of the Company held directly, indirectly or beneficially, by each Director or key management personnel, including their personally-related entities is as follows:

| Director | No. Shares Held at 29 October 2018 | Purchases | Exercise of Options | Other Changes | No. Shares Held at 30 June 2019 | No. Shares Held at Date of this Report |
|---|---|---|---|---|---|---|
| **Warren Hallam** | | | | | | |
| Directly | -[1] | - | - | - | - | - |
| Indirectly | -[2] | 1,000,000 | - | - | 1,000,000 | 1,000,000 |
| **Adam Schofield** | | | | | | |
| Directly | 1 | 1,000,000 | - | - | 1,000,001 | 1,000,001 |
| Indirectly | - | - | - | - | - | - |
| **Scott Huffadine** | | | | | | |
| Directly | -[3] | - | - | - | - | - |
| Indirectly | -[4] | 1,000,000 | - | - | 1,000,000 | 1,000,000 |
| **Brent Palmer** | | | | | | |
| Directly | - | 1,000,000 | - | - | 1,000,000[5] | N/A |
| Indirectly | - | - | - | - | -[6] | N/A |
| **Donald Thomson** | | | | | | |
| Directly | - | - | - | - | -[7] | N/A |
| Indirectly | - | - | - | - | -[8] | N/A |
| **Total** | **1** | **4,000,000** | **-** | **-** | **4,000,001** | **3,000,001** |

[1] Balance held at appointment date, 4 December 2018.
[2] Balance held at appointment date, 4 December 2018.
[3] Balance held at appointment date, 1 March 2019.
[4] Balance held at appointment date, 1 March 2019.
[5] Balance held at resignation date, 23 May 2019. These were approved to be cancelled on 23 May 2019.
[6] Balance held at resignation date, 23 May 2019.
[7] Balance held at resignation date, 20 November 2018.
[8] Balance held at resignation date, 20 November 2018.

The movement during the reporting period in the number of options over ordinary shares of the Company held directly, indirectly or beneficially, by each Director or key management personnel, including their personally-related entities is as follows:

| Director | No. Options Held at 29 October 2018 | Grant of Options | Exercise of Options | Cancellation of Options | No. Options Held at 30 June 2019 | No. Options Held at Date of this Report |
|---|---|---|---|---|---|---|
| **Warren Hallam** | | | | | | |
| Directly | -[9] | - | - | - | - | - |
| Indirectly | -[10] | 500,000 | - | - | 500,000 | 500,000 |
| **Adam Schofield** | | | | | | |
| Directly | - | 500,000 | - | - | 500,000 | 500,000 |
| Indirectly | - | - | - | - | - | - |
| **Scott Huffadine** | | | | | | |
| Directly | -[11] | - | - | - | - | - |
| Indirectly | -[12] | 500,000 | - | - | 500,000 | 500,000 |
| **Brent Palmer** | | | | | | |
| Directly | - | 1,000,000 | - | | 1,000,000[13] | N/A |
| Indirectly | - | - | - | - | -[14] | N/A |
| **Donald Thomson** | | | | | | |
| Directly | - | - | - | - | -[15] | N/A |
| Indirectly | - | - | - | - | -[16] | N/A |
| **Total** | **-** | **2,500,000** | **-** | **-** | **2,500,000** | **1,500,000** |

**REMUNERATION REPORT**

Introduction

The Directors present the Remuneration Report for the Company for the period ended 30 June 2019. This Remuneration Report forms part of the Directors' Report in accordance with the requirements of the Corporations Act 2001 and its regulations. For the purposes of this report, Key Management Personnel ("KMP") of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Parent Entity.

[9] Balance held at appointment date, 4 December 2018.
[10] Balance held at appointment date, 4 December 2018.
[11] Balance held at appointment date, 1 March 2019.
[12] Balance held at appointment date, 1 March 2019.
[13] Balance held at resignation date, 23 May 2019. Cancelled subsequent to year end.
[14] Balance held at resignation date, 23 May 2019.
[15] Balance held at resignation date, 20 November 2018.
[16] Balance held at resignation date, 20 November 2018.

Remuneration Policy

The Company Constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The remuneration of executive Directors will be fixed by the Directors and may be paid by way of fixed salary or consultancy fee.

Remuneration Report Approval at FY2019 AGM

The remuneration report for the period ended 30 June 2019 will be put to shareholders for approval at the Company's AGM which will be held in early 2020.

**Details of Remuneration**

Details of the remuneration of the Directors, other key management personnel of the Company and specified executives of the Company for the period ended 30 June 2019 respectively are set out on the following tables:

| | | Fixed | | | | STI | LTI | Total | Proportion of Remuneration | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Period | Salary fees and leave $ | Other fees $ | Term-ination Payment $ | Super-annuation $ | Incentive Payments $ | Fair value of Share Options (equity settled) $ | $ | Fixed % | STI % | LTI % |
| **Non-Executive Directors** | | | | | | | | | | | |
| Adam Schofield | 2019 | 16,000 | - | - | 1,520 | - | 64,500 | 82,020 | - | - | 100% |
| Scott Huffadine [17] | 2019 | 16,000 | - | - | 1,520 | - | 64,500 | 82,020 | - | - | 100% |
| Donald Thomson [18] | 2019 | - | - | - | - | - | - | - | - | - | - |
| **Total Non-Executive Directors** | **2019** | **32,000** | **-** | **-** | **3,040** | **-** | **129,000** | **164,040** | **-** | **-** | **100%** |
| **Executive Directors** | | | | | | | | | | | |
| Warren Hallam | 2019 | 17,100 | - | - | 1,624 | - | 64,500 | 83,224 | - | - | 100% |
| Brent Palmer [19] | 2019 | - | - | - | - | - | - | - | - | - | - |
| **Total Executive Directors** | **2019** | **17,100** | **-** | **-** | **1,624** | **-** | **64,500** | **83,224** | **-** | **-** | **100%** |

[17] Appointed 1 March 2019.

[18] Resigned 20 November 2018.

[19] Resigned 23 May 2019. Options issued were cancelled subsequent to year end.

**Share Based Compensation**

No ordinary shares in the Company were provided as a result of an exercise of remuneration options to Directors and other key management personnel of the Company in this reporting period.

**End of Audited Remuneration Report.**

## ENVIRONMENTAL REGULATION

The Company is subject to significant environmental and monitoring requirements in respect of its natural resources exploration activities. The Directors are not aware of any significant breaches of these requirements during the period.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

There are no likely development of which the Directors are aware of which could be expected to significantly affect the results of the Company's operations in subsequent financial periods not otherwise disclosed in the 'Principal activities' and 'Review of operations' or the 'Significant events after the balance sheet date' sections of the Directors' report.

## INDEMNIFICATION AND INSURANCE OF OFFICERS

The Company has agreed to indemnify all of the Directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial period the Company paid a premium in respect of a contract insuring the Directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

## PROCEEDINGS ON BEHALF OF THE COMPANY

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

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

## CORPORATE GOVERNANCE

The Board intends to set measurable objectives for achieving diversity, specifically including gender diversity and will review and report on the effectiveness and relevance of these measurable objectives. However, due to the current size of the Board and management, these measurable objectives have not yet been set. A performance evaluation of the Board and individual Directors was not undertaken during the period due to the current size of the Board and the infancy of the Company.

## NON AUDIT SERVICES

Criterion Audit Pty Ltd was appointed as the Company's auditor on 30 October 2018 and has not provided any non-audit services to the Company since its appointment.

## EVENTS SUBSEQUENT TO REPORTING DATE

There are no matters or circumstances have arisen since the end of the period which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods.

## AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration for the period ended 30 June 2019 has been received and is included within the financial statements.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3) of the Corporation Act 2001. Signed in accordance on behalf of the Directors.

______________________

Warren Hallam
Executive Chairman

31 January 2020

CRITERION AUDIT

Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 2138 SUBIACO WA 6904

Suite 1 GF, 437 Roberts Road
SUBIACO WA 6008

Phone: 6380 2555 Fax: 9381 1122

To The Board of Directors

## Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the audit of the financial statements of Kingfisher Mining Ltd for the period ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

**CHRIS WATTS CA**
**Director**

**CRITERION AUDIT PTY LTD**

DATED at PERTH this 31st day of January 2020

| | Note | Company 30 June 2019 $ |
|---|---|---|
| **Revenue** | | 12 |
| Accounting fees | | (6,000) |
| Compliance fees | | (13,350) |
| Consultancy fees | | (6,000) |
| Directors’ remuneration | | (53,764) |
| Exploration expenditure | | (11,545) |
| IT expenses | | (3,803) |
| Marketing expenses | | (3,527) |
| Occupancy expenses | | (8,000) |
| Other expenses | | (1,523) |
| Share based payments expense | 8 | (193,500) |
| Travel expenses | | (2,200) |
| **Loss before tax** | | (303,200) |
| Income tax benefit/(expense) | 3 | - |
| **Net loss for the period from operations** | | (303,200) |
| **Other comprehensive income** | | - |
| **Total comprehensive loss for the period** | | (303,200) |
| Basic loss per share (cents) | | (15.24c) |

The accompanying notes form part of these financial statements.

| | Note | Company 30 June 2019 $ |
|---|---|---|
| **ASSETS** | | |
| **Current Assets** | | |
| Cash and cash equivalents | 4 | 15,091 |
| Trade and other receivables | 5 | 16,177 |
| Other assets | 6 | 3,045 |
| **Total Current Assets** | | 34,313 |
| **Total Assets** | | 34,313 |
| **LIABILITIES** | | |
| **Current Liabilities** | | |
| Trade and other payables | 7 | 99,012 |
| **Total Current Liabilities** | | 99,012 |
| **Total Liabilities** | | 99,012 |
| **Net Assets** | | (64,699) |
| **EQUITY** | | |
| Contributed equity | 8 | 45,001 |
| Reserves | 9 | 193,500 |
| Accumulated losses | | (303,200) |
| **Total Equity** | | (64,699) |

The accompanying notes form part of these financial statements.

| Company | Note | Contributed Equity<br>$ | Share Based Payments Reserve<br>$ | Accumulated Losses<br>$ | Total<br>$ |
|---|---|---|---|---|---|
| **Balance at 29 October 2018** | | **-** | **-** | **-** | **-** |
| Equity issues | 8 | 45,001 | - | - | 45,001 |
| Share based payments | 9 | - | 193,500 | - | 193,500 |
| Loss for the period | | - | - | (303,200) | (303,200) |
| Other comprehensive income | | - | - | - | - |
| Total comprehensive loss for the period | | - | - | (303,200) | (303,200) |
| **Balance at 30 June 2019** | | **45,001** | **193,500** | **(303,200)** | **(64,699)** |

The accompanying notes form part of these financial statements.

| | Note | Company 30 June 2019 $ |
|---|---|---|
| **Cash flows from operating activities** | | |
| Payments to suppliers and employees | | (19,574) |
| Proceeds from receipt of interest | | 12 |
| Payment for exploration and evaluation assets | | (10,348) |
| Net cash (used in) operating activities | 10 | (29,910) |
| **Cash flows from investing activities** | | - |
| Net cash from / (used in) investing activities | | - |
| **Cash flows from financing activities** | | |
| Proceeds from equity issues | | 45,001 |
| Net cash provided from financing activities | | 45,001 |
| Net increase in cash held | | 15,091 |
| Cash and cash equivalents at beginning of the period | | - |
| Cash and cash equivalents at period end | 4 | 15,091 |

The accompanying notes form part of these financial statements.

## 1. *Corporate information*

This annual report covers Kingfisher Mining Limited (the "Company"), a company incorporated in Australia on 29 October 2018 for the period ended 30 June 2019. The presentation currency of the Company is Australian Dollars ("$"). A description of the Company's operations is included in the review and results of operations in the Directors' Report. The Directors' Report is not part of the financial statements. The Company is a for-profit entity and limited by shares incorporated in Australia. The financial statements were authorised for issue on 31 January 2020 by the Directors of the Company. The Directors have the power to amend and reissue the financial statements. The principal accounting policies adopted in the preparation of the financial statements are set out below.

## 2. *Accounting policies*

a. Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. Kingfisher Mining Limited is a for-profit entity for the purpose of preparing the financial statements. The financial statements are presented in Australian dollars and have been prepared under the historical cost convention. The financial statements of the Company also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

b. Going concern

The annual financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Company incurred a loss from ordinary activities of $303,200 for the year ended 30 June 2019 and net cash outflows from operating activities of $29,910. The net working capital deficit position of the Company at 30 June 2019 was $64,699. The ability of the Company to continue to pay its debts as and when they fall due is principally dependent upon the Company successfully raising additional share capital. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern. The Directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report. Based on the cash flow forecasts and other factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate.

**2. *Accounting policies (continued)***

c. Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current. A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets and liabilities are always classified as non-current.

d. Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

e. Significant management judgement in applying accounting policies and estimate uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expense is provided below.

*i. Exploration and evaluation expenditure*

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgement 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.

d. New or amended Accounting Standards and Interpretations adopted

In the period ended 30 June 2019, the Company has reviewed all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to the Company accounting policies as this is the Company's first financial report since incorporation.

## 2. *Accounting policies (continued)*

### e. New accounting standards and interpretations

| Reference | Title | Application date of standard |
|---|---|---|
| AASB 9 | **Financial Instruments**<br>This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Company has adopted this standard since incorporation. The Company has assessed the current impact on financial assets as nil due to there being only one financial asset at 30 June 2019 (cash and cash equivalents). The Company has assessed the current impact on financial liabilities as nil due to there being only one financial liability at 30 June 2019 (trade and other payables) which are not affected by the Company's own credit risk. As and when the Company acquires more financial assets and liabilities, it will account for them in accordance with AASB 9. | 1 January 2018 |
| AASB 15 | **Revenue from Contracts with Customers**<br>This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The Company has adopted this standard since incorporation. The Company has assessed the impact as nil due to there being no revenue from contracts with customers as the Company is a mining exploration company. | 1 January 2018 |

| | | |
|---|---|---|
| AASB 16 | **Leases**<br>This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Company has adopted this standard since incorporation. The Company has assessed the impact as nil due to there currently being no leases. As and when the Company enters into lease agreements, it will account for them in accordance with AASB 16. | 1 January 2019 |

| | Company 30 June 2019 $ |
|---|---|

### 3. *Income tax benefit / (expense)*

A reconciliation between the income tax expense and the product of accounting profit before income tax multiplied by the Company's applicable income tax rate is as follows:

| | |
|---|---|
| Loss before tax | (303,200) |
| Statutory income tax rate for the Company at 27.5% | (83,380) |
| | |
| Tax effect of amounts which are not deductible /(taxable) in calculating taxable income: | |
| Accrued expenses | 2,200 |
| Other deductible expenses | (837) |
| Other non-deductible expenses | - |
| Unrecognised tax losses | 82,017 |
| Income tax expense reported in the statement of comprehensive income | - |

**Accounting policy**

Income tax

Current income tax assets and liabilities for the current and prior periods 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 reporting date. Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets and liabilities are recognised for all taxable temporary differences:

- Except for the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred income tax to be recovered.

### 3. *Income tax benefit / (expense)*

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Goods and services and sales tax
Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except:

- Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of the asset or as part of an item of expense; or
- For receivables and payables which are recognised inclusive of GST.

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

| | **Company 30 June 2019 $** |
|---|---|

### 4. *Cash and cash equivalents*

| | |
|---|---|
| Cash at bank | 15,091 |
| | **15,091** |

**Accounting policy**
Cash and cash equivalents include cash on hand and in the bank, and other short-term deposits. Bank overdrafts are shown separately in current liabilities on the Statement of Financial Position. For the purposes of the Statement of Cash Flows, cash and cash equivalents as defined above, net of outstanding bank overdrafts.

### 5. *Trade and other receivables*

| | |
|---|---|
| GST receivable | 2,852 |
| Other receivables | 13,325 |
| | **16,177** |

## 5. *Trade and other receivables*

**Accounting policy**

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses. This category generally applies to trade and other receivables. Trade and other receivables are generally due for settlement within no more than 30 days from the date of recognition. Due to their current nature, the carrying amount of trade and other receivables approximates fair value. The carrying amount of trade and other receivables is reduced through the use of an allowance account and the loss is recognised in the profit or loss.

| | Company<br>30 June 2019<br>$ |
|---|---|
| **6. *Other assets*** | |
| Prepaid expenses | 3,045 |
| | **3,045** |
| **7. *Trade and other payables*** | |
| Accrued expenses | 73,914 |
| Trade creditors | 25,098 |
| | **99,012** |

**Accounting policy**

Trade and other payables amounts represent liabilities for goods and services provided to the entity prior to the end of the period and which are unpaid. The amounts are unsecured and are usually paid within 30 days of invoice.

## 8. *Contributed equity*

| | Company 30 June 2019 No. | $ |
|---|---|---|
| Balance at beginning of period | - | - |
| Share issue: 29 October 2018 | 1 | 1 |
| Share issue: 12 December 2018 | 1,000,000 | 10,000 |
| Share issue: 18 January 2019 | 2,500,000 | 25,000 |
| Share issue: 8 March 2019 | 1,000,000 | 10,000 |
| Balance at end of period | **4,500,001** | **45,001** |

<u>Ordinary shares</u>
Ordinary shares have no par value and have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on the shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company. Share capital represents the nominal value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

## 9. *Share based payments reserve*

| | Company 30 June 2019 $ |
|---|---|
| Balance at beginning of period | - |
| Share based payments[1] | 193,500 |
| Balance at end of year | **193,500** |

**9. *Share based payments reserve (continued)***

[1]On 23 January 2019 and 8 March 2019 the Company issued a total of 2,500,000 options exercisable at $0.25 expiring 4 years from date of ASX listing to Directors of the Company. On 23 May 2019 1,000,000 of these options were cancelled. The options have been valued using the Black-Scholes option valuation method. Inputs used include a share price of $0.20; volatility of 90%; and an interest rate of 1.91% associated the 4 year Australian government bond rate.

**10. *Operating segments***

The Company has determined operating segments based on the information provided to the Board of Directors. The Company operates predominantly in one business segment being the exploration for minerals in one geographic segment, being Australia.

**Accounting policy**

Operating segments are identified based on the internal reports that are regularly reviewed by the Board of Director's, the Chief Operation Decision Maker, for the purpose of allocating resources and assessing performance. The adoption of this "management approach" has resulted in the identification of reportable segments.

| | **Company 30 June 2019 $** |
|---|---|
| **11. *Reconciliation of cashflows from operating activities*** | |
| Loss before tax | (303,200) |
| Share based payments | 193,500 |
| Change in trade & other receivables | (16,177) |
| Change in other assets | (3,045) |
| Change in trade & other payables | 99,012 |
| Net cash used in operating activities | **(29,910)** |

**12. *Events after the end of the reporting period***

There are no matters or circumstances have arisen since the end of the period which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods.

| | **Company** **30 June 2019** **$** |
|---|---|
| **13. *Commitments and contingencies*** | |
| a. Commitments relating to operating expenditures | |
| Not longer than 1 year | - |
| More than 1 year but not longer than 5 years | - |
| More than 5 years | - |
| | - |

b. Contingent assets

There are no contingent assets as at 30 June 2019.

c. Contingent liabilities

There are no contingent liabilities as at 30 June 2019.

**14. *Financial instruments***

Financial risk management objectives, policies and processes

The Company has exposure to the following risks from their use of financial instruments:

- credit risk,
- liquidity risk, and
- market risk (including gold price risk, interest rate and currency risk).

This note presents information about the Company' exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk. The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing each of these risks and they are summarised below. The Company's principal financial instruments comprise cash. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the Company. The Company also has other financial instruments such as receivables and payables which arise directly from its operations. For the year under review, it has been the Company's policy not to trade in financial instruments.

| | **Company** |
|---|---|
| | **30 June 2019** |
| **14. *Financial instruments (continued)*** | **$** |
| Financial instruments | |
| **Financial assets** | |
| Cash and cash equivalents | 15,091 |
| Trade and other receivables | 16,177 |
| | **31,268** |
| **Financial liabilities** | |
| Trade and other payables | 99,012 |
| | **99,012** |

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. The Company's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Board annually. The Company does not have any significant credit risk exposure to the National Australia Bank. The credit risk on liquid funds is reduced because the counterparty is a bank with high credit rating assigned by international credit rating agencies.

Liquidity risk

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 reserves and banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company did not have any undrawn facilities at its disposal as at reporting date. The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

## 14. *Financial instruments (continued)*

Contractual maturities of financial liabilities

| Details | >1 Year $ | 1-2 Years $ | 2-5 Years $ | >5 Years $ | Total $ | Carrying Amount $ |
|---|---|---|---|---|---|---|
| **30 June 2019** | | | | | | |
| Trade and other payables | 25,098 | - | - | - | 25,098 | 25,098 |
| Accrued expenses | 73,914 | - | - | - | 73,914 | 73,914 |
| **Total** | **99,012** | **-** | **-** | **-** | **99,012** | **99,012** |

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The Company does not have short or long-term debt and therefore the risk is minimal. The Company limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have acceptable credit ratings.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature. The Company's cash and cash equivalents at 30 June 2019 are fixed interest rate financial instruments. Therefore, they are not subject to interest rate risk.

Fair value measurements

The fair values of cash, receivables, trade and other payables approximate their carrying amounts as a result of their short maturity.

## 15. *Related party transactions*

Effective 1 March 2019 the Company entered into a sub-lease agreement with Nelson Resources Limited (a company of which both Warren Hallam and Adam Schofield are directors) for the occupancy of its premises. The transaction is on an arm's length term, expiring 31 October 2020. Subsequent to year end, the rent expense was credited.

In the opinion of the Directors:

a) the financial statements and notes set out on pages 11 to 26 are in accordance with the *Corporations Act 2001* including:
   i. giving a true and fair view of the Company's financial position as at 30 June 2019 and of the performance for the period ended 30 June 2019; and
   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Directors made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the Directors

_____________________

Warren Hallam
Executive Chairman

31 January 2020

CRITERION AUDIT

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# Independent Auditor's Report

# To the Members of Kingfisher Mining Ltd

## Report on the Audit of the Financial Report

## Opinion

We have audited the accompanying financial report of Kingfisher Mining Ltd ("the Company"), which comprises the statement of financial position as at 30 June 2019, and the statement of profit or 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:

a. the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

   i. giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the period then ended; and

   ii. complying with Australian Accounting Standards and the Corporations Regulations 2001;

b. The financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a).

### Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our opinion above, we draw attention to Note 2(b) to the annual report, which indicates that the Company incurred a net loss of $303,200 and as of that date, the Company had a net working capital deficiency of $64,699 and net operating cash outflows of $29,910. These conditions, along with other matters as set forth in Note 2(b), indicate the existence of a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. 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.

**Other Information**

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 2019, but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed, 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.

**Directors' Responsibility 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 Note 2(a), the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

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 has no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Report**

Our responsibility is to express an opinion on the financial report based on our audit. 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.

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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the period ended 30 June 2019.

In our opinion, the Remuneration Report of the Company, for the period ended 30 June 2019, 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 s 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.

**CRITERION AUDIT PTY LTD**

**CHRIS WATTS CA**
**Director**

DATED at PERTH this 31st day of January 2020