

# **Gullewa Limited**

**ABN 30 007 547 480**

**Interim Financial Report**

**For the Half – year ended 31 December 2020**

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### General Information

The interim financial report covers Gullewa Limited as a consolidated entity consisting of Gullewa Limited and the entities it controlled. The interim financial report is presented in Australian dollars, which is Gullewa Limited's functional and presentation currency.

The interim financial report consists of the consolidated financial statements, consolidated notes to the financial statements and the directors' declaration.

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

Suite 1 Level 2  
49-51 York Street  
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the interim financial report.

The interim financial report was authorised for issue, in accordance with a resolution of directors, on 15 March 2021. The directors have the power to amend and reissue the interim financial report.

## Directors' Report

31 December 2020

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Gullewa Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the half-year ended 31 December 2020.

### Directors

The following persons were directors of Gullewa Limited during the period and up to the date of this report, unless otherwise stated:

Anthony Howland-Rose - Chairman  
David Deitz  
Eddie Lee

### Principal activities

The continuing principal activity of the consolidated entity during the financial period were royalties, exploration and mining, investments in equities and property.

### Review of operations

The profit for the consolidated entity before providing for income tax amounted to \$545,753 (31 December 2019 profit: \$666,540).

### Gullewa Gold Royalty

The company has a 1% Royalty on the project called Deflector owned by Silver Lake Resources Limited (ASX: SLR) and received \$1,475,270 in royalties from SLR during the half-year. SLR has had outstanding exploration success at Deflector.

**Central Iron Ore Limited ('CIO')** Gullewa has 36.10% holding.

The assets of CIO are:

### The Red 5 Joint Venture

Is approximately 320km North West of Kalgoorlie and 5km West of Red 5's Darlot Mine. The company has earned a 70% interest in the Red 5 Joint Venture Tenements but this is disputed by Red 5. We are currently reviewing a Settlement Agreement and Joint Venture Agreement. Both parties are working on these but final agreement has not been reached.

The Future Proposed Drilling Programme consists of RC drilling comprising 20 holes for 1,024 metres has been designed at the Endeavour Prospect, targeting the laminated vein both down plunge and to the west. The purpose of the drilling is to extend the mineralisation which is open to the west and trace the down plunge depths of this high-grade quartz lode.

### British King Gold Mine

Is located north of Kalgoorlie, Western Australia. On November 10, 2014, CIO announced that it has entered into an agreement for the AUD\$1.1 million sale of its British King Gold Mine ("Project") in Western Australia to BK Gold Mines Pty Ltd ("Purchaser").

As the Purchaser failed to make all of the payments required under the original acquisition agreement in 2014 by October 30, 2020 the Purchaser is required to transfer back to CIO all of its percentage interest in the Project. The purchaser has sent signed transfer notices. When these are registered on the Mining Tenement Register CIO will grant to the Purchaser a gross value royalty in respect of gold extracted from the Project. The percentage royalty interest will be 1.25%. The Purchaser has to remove a mortgage and a caveat in favour of SilverStream SEZC

which is showing on title, to allow the transfer to be registered. BK Gold Mine Pty Ltd and SilverStream SEZC are in dispute on this. We are awaiting a resolution.

**Property (Gullewa 69.10%)**

Gullewa has invested and loaned approximately \$5 million to the project. We have sold 16 out of 19 lots in Stage 2. The two largest lots are being held. Applications are in Maitland Council to increase Stage 3 from 26 to 31 lots.

**Kingwest Resources Limited**

The Company now holds 2,095,830 shares in Kingwest Resources Limited (ASX: KWR).

**Tyranna**

The Company now holds 10,955,304 shares in Tyranna. During the year we sold 44,000,000 Tyranna shares.

**Significant Changes in the State of Affairs**

There were no significant changes in the state of affairs of the consolidated entity during the financial period.

**Corporate Governance**

A statement disclosing the extent to which the company has followed the best practice recommendations set by the ASX Corporate Governance Council during the period is displayed on the company's website.

**Risk Management**

Details of the Company's Risk Management policies are contained within the Corporate Governance Statement in the Directors' Report as outlined in the 30 June 2020 Annual Report and at the company's website <http://www.gullewa.com.au>.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



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**David Deitz**

Director

15 March 2021



SCS AUDIT &  
CORPORATE SERVICES PTY LTD

ABN 99 165 260 444

**DECLARATION OF INDEPENDENCE UNDER SECTION 307C OF THE  
CORPORATIONS ACT 2001 TO THE DIRECTORS OF GULLEWA  
LIMITED**

I declare that to the best of my knowledge and belief, during the period ended 31 December 2020 there has been:

- No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Gullewa Limited and the entities it controlled during the period.

**SCS Audit & Corporate Services Pty Ltd**

A handwritten signature in black ink, appearing to read 'Didarul Khan', is written over a dotted line.

Didarul Khan  
Director  
SCS Audit & Corporate Services Pty Ltd  
Chartered Accountant, Registered Company Auditor  
Sydney, 15 March 2021

## Consolidated Statement of profit or loss and other comprehensive income

For the period ended 31 December 2020

	Note	31 Dec 2020 \$	31 Dec 2019 \$
<b>Income</b>			
Revenue	3	1,532,789	1,190,705
Other income	4	103,317	27,063
<b>Expenses</b>			
General and Administration expenses		(295,348)	(221,493)
Employee benefits expense	5	(467,995)	(325,501)
Depreciation and amortisation expense	5	(4,416)	(4,234)
<b>Profit/(loss) before income tax expense</b>		<b>868,347</b>	<b>666,540</b>
Income tax expense	6	(322,594)	-
<b>Profit/(loss) after income tax expense for the period</b>		<b>545,753</b>	<b>666,540</b>
Other comprehensive income for the period, net of tax			-
<b>Total comprehensive income for the period</b>		<b>545,753</b>	<b>666,540</b>
<b>Profit/(loss) for the period is attributable to:</b>			
Non-controlling interest		-	(155)
Owners of Gullewa Limited		545,753	666,695
<b>Total comprehensive income for the period is attributable to</b>		<b>545,753</b>	<b>666,540</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share (cents per share)		0.2992	0.4298
Diluted earnings per share (cents per share)		0.2992	0.4298

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

## Consolidated Statement of financial position

For the period ended 31 December 2020

	Note	31 Dec 2020 \$	30 June 2020 \$
<b>Current assets</b>			
Cash and cash equivalents	7	3,684,032	3,663,969
Trade and other receivables		1,024,279	976,286
Other financial assets	8	2,461,649	1,007,244
<b>Total current assets</b>		<b>7,169,960</b>	<b>5,647,499</b>
<b>Non-current assets</b>			
Investments accounted for using the equity method	9	5,218,105	4,971,849
Other financial assets	11	29,603	29,603
Property, plant and equipment		25,619	27,846
Exploration and evaluation	10	32,780	32,780
<b>Total non-current assets</b>		<b>5,306,107</b>	<b>5,062,078</b>
<b>Total assets</b>		<b>12,476,067</b>	<b>10,709,577</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		480,511	128,548
<b>Total Current liabilities</b>		<b>480,511</b>	<b>128,548</b>
<b>Total Liabilities</b>		<b>481,511</b>	<b>128,548</b>
<b>Net assets</b>		<b>11,995,556</b>	<b>10,581,029</b>
<b>Equity</b>			
Issued capital	12	22,018,527	21,481,527
Reserves		2,100,434	1,768,660
Accumulated losses		(12,021,697)	(12,567,450)
<b>Equity attributable to the owners of Gullewa Limited</b>		<b>12,097,264</b>	<b>10,682,737</b>
Non-controlling interest		(101,708)	(101,708)
<b>Total equity</b>		<b>11,995,556</b>	<b>10,581,029</b>

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

## Consolidated Statement of changes in equity

For the period ended 31 December 2020

	Issued Capital \$	Reserves \$	Accumulated losses \$	Non- controlling interest \$	Total equity \$
Balance at 1 July 2019	21,372,326	1,540,655	(14,664,272)	(101,541)	8,147,168
Profit/(loss) after income tax benefit for the half-year			666,695	(155)	666,540
Other comprehensive income for the half-year, net of tax					
<b>Total comprehensive income for the half-year</b>	<b>21,372,326</b>	<b>1,540,655</b>	<b>(13,997,577)</b>	<b>(101,696)</b>	<b>8,813,708</b>
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments		224,805			224,805
<b>Balance at 31 December 2019</b>	<b>21,372,326</b>	<b>1,765,460</b>	<b>(13,997,577)</b>	<b>(101,696)</b>	<b>9,038,513</b>

	Issued Capital \$	Reserves \$	Accumulated losses \$	Non- controlling interest \$	Total equity \$
Balance at 1 July 2020	21,481,527	1,768,660	(12,567,450)	(101,708)	10,581,029
Profit/(loss) after income tax benefit for the half-year			545,753		545,753
Other comprehensive income for the half-year, net of tax					
<b>Total comprehensive income for the half-year</b>	<b>21,481,527</b>	<b>1,768,660</b>	<b>(12,021,697)</b>	<b>(101,708)</b>	<b>11,126,782</b>
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	537,000	331,774			868,774
<b>Balance at 31 December 2020</b>	<b>22,018,527</b>	<b>2,100,434</b>	<b>(12,021,697)</b>	<b>(101,708)</b>	<b>11,995,556</b>

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

## Consolidated Statement of cash flows

For the period ended 31 December 2020

	Note	31 Dec 2020 \$	31 Dec 2019 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees (inclusive of GST)		(384,829)	(431,286)
Interest received		7,840	9,893
Other revenue		1,633,284	1,209,674
Net cash provided by / (used) in operating activities		<u>1,256,295</u>	<u>788,281</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(2,189)	-
Payments for Property Project		(146,257)	(124,092)
Payments for other financial assets		(1,624,766)	(200,00)
Proceeds from sale of investment Assets		-	-
Other (property)and security deposits		(20)	(386)
Net cash (used) in investing activities		<u>(1,773,232)</u>	<u>(324,478)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue securities		537,000	-
Loan to other entities		-	-
Net cash provided by in financing activities		<u>537,000</u>	<u>-</u>
Net increase in cash and cash equivalents		3,663,969	463,803
Cash and cash equivalents at the beginning of the financial period		20,063	1,204,693
Cash and cash equivalents at the end of the financial period		<u>3,684,032</u>	<u>1,668,496</u>

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

## Notes to the consolidated financial statements

For the period ended 31 December 2020

### Note 1. Significant accounting policies

#### **Statement of compliance**

The half-year interim financial report is a general-purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. The Group is a for-profit entity for financial reporting purposes under the Australian Accounting Standards. Compliance with AASB 134 ensures compliance with the International Financial Reporting Standards IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2020 together with any of the public announcements that were made during the following half-year.

The half-year financial report was authorised for issue by directors on 15 March 2021.

#### **Basis of preparation**

The consolidated financial statements have been prepared on the basis of the historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise stated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2020 annual financial report for the financial year ended 30 June 2020, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with the Australian Accounting Standards and with the International Financial Reporting Standards.

#### **Significant accounting judgements and key estimates**

The preparation of the interim financial reports requires the management to make judgements, estimates and assumptions that will affect the application of the accounting policies and the reported amounts of the assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgements that were made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report to the year ended 30 June 2020.

#### **Going concern**

The consolidated interim financial statements have been prepared on a going concern basis.

For the half-year ended 31 December 2020, the consolidated entity incurred a profit from the continuing operations before tax of \$868,347 (31 December 2019: \$666,540). In the same period the consolidated entity had operating cash inflows of \$1,256,295 (31 December 2019: cash inflow of \$788,281) and outflows due to investing activities of \$1,773,232 (31 December 2019 outflows: \$324,478).

A cash flow forecast for the next 12 months has been prepared by the management which has indicated that the consolidated entity will have sufficient cash assets to be able to meet its debts as and when they fall due.

The consolidated entity has commitments for exploration and evaluation for the next three years. Due to the current market conditions the company will not be committing to all of the minimum expenditure for the next three years.

No adjustments have been made relating to the recoverability and classification of the other asset amounts and classification of the liabilities that might be necessary should the consolidated entity not be able to continue as a going concern.

## Notes to the consolidated financial statements

For the period ended 31 December 2020

### Loans and receivables

Trade receivables, loans and other receivables that have been fixed or determinable payments that are not quoted in any of the active market are classified as 'loans and receivable'. Loans and receivables are measured at the amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for the short-term receivables when the effect of discounting is immaterial.

### Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2020, the company has reviewed all the new and revised Standards and Interpretations that were issued by the AASB that are relevant to its operations and effective for the annual reporting periods beginning on or after 1 July 2020.

It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations of its business and, therefore, no change is necessary to the Company accounting policies.

The Company has also reviewed all the new standards and interpretations that have been raised but are not yet effective for the half-year ended 31 December 2020. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations of its business and, therefore, no change has been necessary to the company accounting policies.

### Note 2. Operating segments

The operating segments are identified by the management based on the nature of the type of investment. Discrete financial information about each of these operating segments is reported to the CODM on a monthly basis. The reportable segments are based on the similarity of the investments made and the common regulatory environment applicable to each of the reportable segments. There is a clear designation of the responsibility and accountability by the CODM for the management and performance of these reportable segments.

#### *Types of products and services*

The principal products and services of each of these operating segments are as follows:

Exploration and evaluation	The consolidated entity is involved in the exploration and evaluation for minerals. The receipt of the royalty and income stream is attached.
Property development	The consolidated entity acquires investment properties with a view to have capital appreciation and derivation of its rental income.
Investments	The consolidated entity invests in shares in listed and unlisted entities.

#### *Intersegment transactions*

Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

#### *Intersegment receivables, payables and loans*

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to the fair value based on the market interest rates. Intersegment loans are eliminated on consolidation.

## Notes to the consolidated financial statements

For the period ended 31 December 2020

### Note 2. Operating segments (cont'd)

	Exploration and evaluation \$	Property development \$	Investments \$	Intersegment Eliminations/ Unallocated \$	Total \$
<b>December 2020</b>					
<b>Revenue</b>					
Royalty revenue	1,475,270	-			1,475,270
Interest revenue			103,297	-	103,297
Other revenue				57,539	57,539
<b>Total revenue</b>	<b>1,475,270</b>	<b>-</b>	<b>103,297</b>	<b>57,539</b>	<b>1,636,106</b>
<b>Segment net profit/(losses) before tax from continuing operations</b>	<b>1,475,270</b>	<b>-</b>	<b>103,297</b>	<b>(710,220)</b>	<b>868,347</b>
<b>Assets</b>					
Segment Assets	200,889	5,049,996	4,491,252	2,733,930	12,476,067
<b>Total assets</b>	<b>200,889</b>	<b>5,049,996</b>	<b>4,491,252</b>	<b>2,733,930</b>	<b>12,476,067</b>
<b>Liabilities</b>					
Segment liabilities				480,511	480,511
<b>Total liabilities</b>				<b>480,511</b>	<b>480,511</b>

	Exploration and evaluation \$	Property development \$	Investments \$	Intersegment Eliminations/ Unallocated \$	Total \$
<b>December 2019</b>					
<b>Revenue</b>					
Royalty revenue	1,171,735	-	-	-	1,171,735
Interest revenue	-	-	27,063	-	27,063
Other revenue	-	-	-	18,970	18,970
<b>Total revenue</b>	<b>1,171,735</b>	<b>-</b>	<b>27,063</b>	<b>18,970</b>	<b>1,217,768</b>
<b>Segment net profit/(losses) before tax from continuing operations</b>	<b>1,171,735</b>	<b>-</b>	<b>27,063</b>	<b>(532,258)</b>	<b>666,540</b>
<b>Assets</b>					
Segment assets	1,610,207	4,761,804	1,127,073	1,700,577	9,199,661
<b>Total assets</b>	<b>1,610,207</b>	<b>4,761,804</b>	<b>1,127,073</b>	<b>1,700,577</b>	<b>9,199,661</b>
<b>Liabilities</b>					
Segment liabilities				161,148	161,148
<b>Total liabilities</b>				<b>161,148</b>	<b>161,148</b>

## Notes to the consolidated financial statements

For the period ended 31 December 2020

### Note 3. Revenue

	31 Dec 2020	31 Dec 2019
	\$	\$
Management fees	21,155	18,970
Royalties	1,475,270	1,171,735
Other Revenue	36,364	-
<b>Total Revenue</b>	<b>1,532,789</b>	<b>1,190,705</b>

### Note 4. Other income

	31 Dec 2020	31 Dec 2019
	\$	\$
Interest income	7,839	27,063
Gain & Loss on Share trading	95,478	-
<b>Other income</b>	<b>103,317</b>	<b>27,063</b>

### Note 5. Expenses

	31 Dec 2020	31 Dec 2019
	\$	\$
Profit before income tax includes the following specific expenses:		
<i>Depreciation and amortisation</i>		
Leasehold improvements		
Plant and equipment	1,087	905
Motor vehicles	3,329	3,329
Total depreciation	4,416	4,234
Total depreciation and amortisation	4,416	4,234
<i>Employee benefits expenses</i>		
Superannuation expense	11,720	8,736
Share-based payments expense	331,774	224,805
Other wages and salaries	124,501	91,960
Total employee benefits expense	<b>467,995</b>	<b>325,501</b>

## Notes to the consolidated financial statements

For the period ended 31 December 2020

### Note 6. Income tax expense

	31 Dec 2020 \$	31 Dec 2019 \$
<i>Income tax expenses</i>		
Current tax (expenses) / benefit	322,594	-
Aggregate income tax (expense) / benefit	<u>322,594</u>	<u>-</u>
<i>Numerical reconciliation of income tax expense / tax benefit and tax at the statutory rate</i>		
Profit before income tax (expense)/benefit	868,347	666,540
Tax at the statutory tax rate of 26 % (2020) 27.50%(2019)	225,770	183,299
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non – deductible expenses	106,278	61,821
Non – assessable income	(9,454)	-
	<u>96,824</u>	<u>245,120</u>
Current year tax losses not recognised		
Tax losses recouped	-	(245,120)
Income tax (expenses) / benefit	<u>322,594</u>	<u>-</u>

	31 Dec 2020 \$	31 Dec 2019 \$
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	-	1,813,811
Potential tax benefit @ 27.50%	-	498,798

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

## Notes to the consolidated financial statements

For the period ended 31 December 2020

### Note 7. Current assets – cash and cash equivalents

	31 Dec 2020 \$	30 Jun 2020 \$
Cash on hand	100	100
Cash at bank	1,683,932	1,863,869
Cash on deposit	2,000,000	1,800,000
	<b>3,684,032</b>	<b>3,663,969</b>

### Note 8. Current assets – other financial assets

	31 Dec 2020 \$	30 Jun 2020 \$
Shares designated at fair value through profit or loss	2,394,539	907,585
Shares in unlisted corporations – at cost	67,110	99,659
	<b>2,461,649</b>	<b>1,007,244</b>

### Note 9. Non-current assets - investments accounted for using equity method

	31 Dec 2020 \$	30 Jun 2020 \$
<b>Investment in associates</b>		
Central Iron Ore Limited	168,108	68,109
Hunter Valley Proprietary Limited	5,049,997	4,903,740
	<b>5,218,105</b>	<b>4,971,849</b>
<b>Equity accounted profit</b>		
Central Iron Ore Limited	-	-
Hunter Valley Solutions Pty Ltd	-	-
	<b>-</b>	<b>-</b>

The company has a 69.10 percent interest in a joint venture to subdivide land in the Hunter Valley held by Hunter Valley Proprietary Limited.

Investments in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated entity are set out below:

Name	Activity	Ownership	
		Dec 2020	Jun 2020
Hunter Valley Proprietary Limited	Property development	69.10%	69.10%
Central Iron Ore Limited	Mineral exploration	36.10%	36.10%

## Notes to the consolidated financial statements

For the period ended 31 December 2020

### Note 10. Non-current assets – exploration and evaluation

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Exploration, evaluation and development assets – at cost	32,780	32,780
Less: impairment	-	-
	<b>32,780</b>	<b>32,780</b>

#### Reconciliations

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

Consolidated	Exploration, evaluation, development	Total
	\$	\$
Balance at 1 July 2019	32,780	32,780
Security deposit	-	-
Impairment of assets	-	-
Balance at 30 June 2020	<b>32,780</b>	<b>32,780</b>
Balance at 1 July 2020	32,780	32,780
Security deposit	-	-
Impairment of assets	-	-
Balance at 31 December 2020	<b>32,780</b>	<b>32,780</b>

The impairment expense during the current period relates to tenements that have been relinquished or have been written down to the recoverable amount.

#### Note:

The company has entered into a joint venture agreement to acquire land for subdivision and resale.

### Note 11. Other financial assets

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Loan to subsidiaries	29,603	29,603
	<b>29,603</b>	<b>29,603</b>

### Note 12. Equity issued capital

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Ordinary shares fully paid	22,018,527	21,481,527

During the period the company directors exercised 20,250,000 options by paying \$537,000.

#### Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-years.

## Notes to the consolidated financial statements

For the period ended 31 December 2020

### Note 13. Fair value measurement

#### *Fair value hierarchy*

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at the fair value, using a three-level hierarchy, that is based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in the active markets for the identical assets or liabilities that the entity can access at the measurement date
- Level 2: Inputs other than the quoted prices that are included within the Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability

<b>31 Dec 2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	\$
<i>Assets</i>				
Financial assets at fair value through profit or loss – marketable securities	2,394,539	-	-	2,394,539
<b>Total assets</b>	<b>2,394,539</b>	<b>-</b>	<b>-</b>	<b>2,394,539</b>

<b>30 June 2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	\$
<i>Assets</i>				
Financial assets at fair value through profit or loss – marketable securities	907,585	-	-	907,585
<b>Total assets</b>	<b>907,585</b>	<b>-</b>	<b>-</b>	<b>907,585</b>

There were no transfers between levels during the financial period.

## Notes to the consolidated financial statements

For the period ended 31 December 2020

### Note 14. Related party transactions

Parent entity

Gullewa Limited is the parent entity.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
<i>Other income:</i>		
Management fees from associate - Central Iron Ore Limited	21,155	18,970

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
<b><i>Other transactions:</i></b>		
Consultant fees paid to associate of David Deitz		-
Directors fees paid to David Deitz, a director of the parent entity	87,600	87,600
Directors fees paid to Anthony Howland-Rose, a director of the parent entity		-
Consultant fees paid to Jabiru Quill Pty Ltd, associated with a director of the company	35,000	-
Directors fees paid to Eddie Lee, a director of the parent entity	18,545	16,500

#### ***Receivable from and payable to related parties***

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

Current receivables:

Receivables from other related parties	92,940	112,329
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#### ***Loans to/from related parties***

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

Current receivables

Loan to David Deitz, a director of the parent entity	109,597	132,643
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#### ***Current borrowings***

Loan to joint venture (Hunter Valley Pty Ltd) from companies associated with: Anthony Howland-Rose	-	1,708,840
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#### ***Terms and conditions***

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

## Notes to the consolidated financial statements

For the period ended 31 December 2020

### Note 15. Events after the reporting period

No matter or circumstance has arisen since 31 December 2020, that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

### Note 16. Share-based payments

#### *Employee Option Scheme*

Details of the Employee Option Scheme are disclosed in the annual financial report.

Set out below are the summaries of options that were granted under the plans:

#### 31 December 2020

Grant date	Expiry date	Exercise Price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
29/11/2015	29/11/2020	\$0.0156	250,000	-	250,000	-	-
23/12/2016	23/12/2021	\$0.0273	12,000,000	-	11,000,000	-	1,000,000
23/12/2017	23/12/2022	\$0.0260	15,400,000	-	6,000,000	-	9,400,000
24/12/2018	24/12/2023	0.02800	15,000,000	-	3,000,000	-	12,000,000
29/12/2019	28/12/2024	0.03500	15,000,000	-	-	-	15,000,000
14/12/2022	14/12/2025	0.12200	-	6,540,000	-	-	6,540,000
			<b>57,650,000</b>	<b>6,540,000</b>	<b>20,250,000</b>	-	<b>43,940,000</b>

## Director declaration

31 December 2020

In the option of the directors of Gullewa Limited (The company):

1. The consolidated financial statements and notes are in accordance with the Corporations Act 2001, including:
  - (i) comply with Accounting Standards AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and other mandatory professional reporting requirement; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date.
2. in the director's opinion 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 Board of Directors made pursuant to s303(5) of the Corporations Act 2001.

On behalf of the directors



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David Deitz  
Director  
15 March 2021  
Sydney



## SCS AUDIT & CORPORATE SERVICES PTY LTD

ABN 99 165 260 444

### Independent Auditor's Review Report to the members of Gullewa Limited

I have reviewed the accompanying interim financial report of Gullewa Limited, which comprises the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year end or from time to time during the half-year.

#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express a conclusion on the half-year financial report based on my review. I conducted my review in accordance with Auditing Standard on Review Engagements ASRE 2410.

*Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, I have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134.

*Interim Financial Reporting and the Corporations Regulations 2001*. As the auditor of Gullewa Limited, ASRE 2410 requires that I comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

#### *Auditor's Independence Declaration*

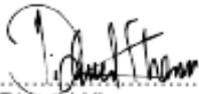
In conducting our review, I have complied with the independence requirements of the *Corporations Act 2001*. I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Gullewa Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

*Conclusion*

Based on my review, which is not an audit, I have not become aware of any matter that makes us believe that the half-year financial report of Gullewa Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

**SCS Audit & Corporate Services Pty Ltd**



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Didarul Khan  
Director  
SCS Audit & Corporate Services Pty Ltd  
Chartered Accountant, Registered Company Auditor

Sydney 15 March 2021