

Great Northern Minerals Limited

ABN 22 000 002 111

Consolidated Financial Statements

For the Half Year Ended 31 December 2020

Great Northern Minerals Limited

ABN 22 000 002 111

Consolidated Financial Statements

For the Half Year Ended 31 December 2020

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Great Northern Minerals Limited

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CORPORATE DIRECTORY

DIRECTORS

Mr Kim Robinson (Non-Executive Chairman)
Mr Cameron McLean (CEO & Managing Director)
Mr Simon Coxhell (Technical Director)
Mr Simon Peters (Non-Executive Director)

COMPANY SECRETARY

Ms Aida Tabakovic

REGISTERED OFFICE

Level 1, 33 Colin Street
WEST PERTH WA 6005
AUSTRALIA

Website: www.greatnorthernminerals.com.au

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth WA 6000

Telephone: 1300 787 272

AUDITORS

William Buck Audit (WA) Pty Ltd
Level 3, 15 Labouchere Road
South Perth WA 6151

LEGAL ADVISORS

Nova Legal
Level 2, 50 Kings Park Road
West Perth WA 6005

STOCK EXCHANGE

Australian Securities Exchange Limited
ASX Code: GNM, GNMOA, GNMOB, GNMOF

Great Northern Minerals Limited

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Consolidated Financial Statements For the Half Year Ended 31 December 2020

Your directors present their Report on Great Northern Minerals Limited (“the Company” or “GNM”) and its subsidiaries (“the Group”) for the half year ended 31 December 2020.

Directors

The names of the directors in office at any time during or since the end of the half year period are:

Mr Kim Robinson	Non-Executive Chairman
Mr Cameron McLean	CEO & Managing Director
Mr Simon Coxhell	Technical Director
Mr Simon Peters	Non-Executive Director

Company Secretary

Ms Aida Tabakovic

Review of operations

The principal activities of the Group during the half financial year were:

Corporate

- The finalisation of an option agreement on the Golden Ant (Camel Creek and Golden Cup) and the Alphadale (Big Rush) gold mines, which resulted in the purchase of a 100% interest in 11 mining leases comprising a total of 3 gold projects located approximately 220 kilometres north west of Townsville in the Greenvale region of North Queensland;
- The acquisition of exploration permits surrounding the mining leases providing additional extensive exploration ground, located along strike from the known gold deposits;
- The raising of approximately \$1.6M from institutional, sophisticated and professional investors. The Placement comprised the issue of 85,784,944 fully paid ordinary shares at an issue price of \$0.019.

Projects

- The completion of a maiden RC drilling program at Camel Creek and Big Rush leading to a number of encouraging gold intersections and the commencement of a JORC 2012 resource estimate upgrade for Big Rush.
- The completion of a diamond drilling program at Big Rush beneath the central pit.
- In August 2020 a maiden drilling program at the Camel Creek Gold Project commenced comprising a total of 18 RC drill holes for a total of 2,518 metres. Significant results were returned from every drillhole highlighting the potential at Camel Creek and demonstrating the continuity of the gold mineralisation over an extensive strike length.
- In December 2020 another drilling program was instigated at Camel Creek which comprised 15 aircore and RC holes for 1,090 metres testing three different areas and extended the drill testing completed earlier by Great Northern Minerals to over approximately 1,000 metres of strike. Drillhole depths ranged from 68 to 90 metres and averaged 73 metres total depth. Excellent results were returned from a large number of the holes.
- Ongoing environmental monitoring at all projects has been ongoing as part of the statutory requirements for managing the mining leases.

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Golden Ant Project Acquisition: North Queensland Gold Projects

During May 2019, Great Northern Minerals Limited entered into an option agreement to acquire a 100% interest in three gold projects in North Queensland (Figure 1) which had been previously mined by private earthmoving contractors and developers during the mid-1980s and 1990s.

During this time period a large number of shallow oxide open pits at Camel Creek, Golden Cup and Big Rush were mined and subjected to heap leach processing. Estimated gold recovery from the heap leach operations was estimated to be 60-80%. Review and due diligence of the projects also outlined substantial potential for the delineation of gold resources underneath the previously mined shallow open pits, with a number of historical high grade gold drilling intercepts which had not been followed up.

Table 1: Historic Mining and Heap Leach Operations

Deposit	Ore Mined (tonnes)	Grade (g/t Au)	Ounces Mined
Camel Creek	1,059,696	1.68	57,238
Camel Creek Satellites	188,876	2.29	13,906
Golden Cup	201,081	2.83	18,296
Golden Cup Satellites	94,548	1.92	5,836
Big Rush	983,000	2.21	69,703
TOTAL	2,527,201	2.03	164,979

On 10 August 2020, the Company announced that agreement had been reached for early settlement of 100% ownership in the three projects. The parties to the Heads of Agreement entered into a deed of variation to reduce the total consideration from \$1,732,000 to \$849,450. This transaction is now complete and allows an accelerated drilling and development program to be advanced.



Figure 1: Camel Creek, Golden Cup and Big Rush Location Plan

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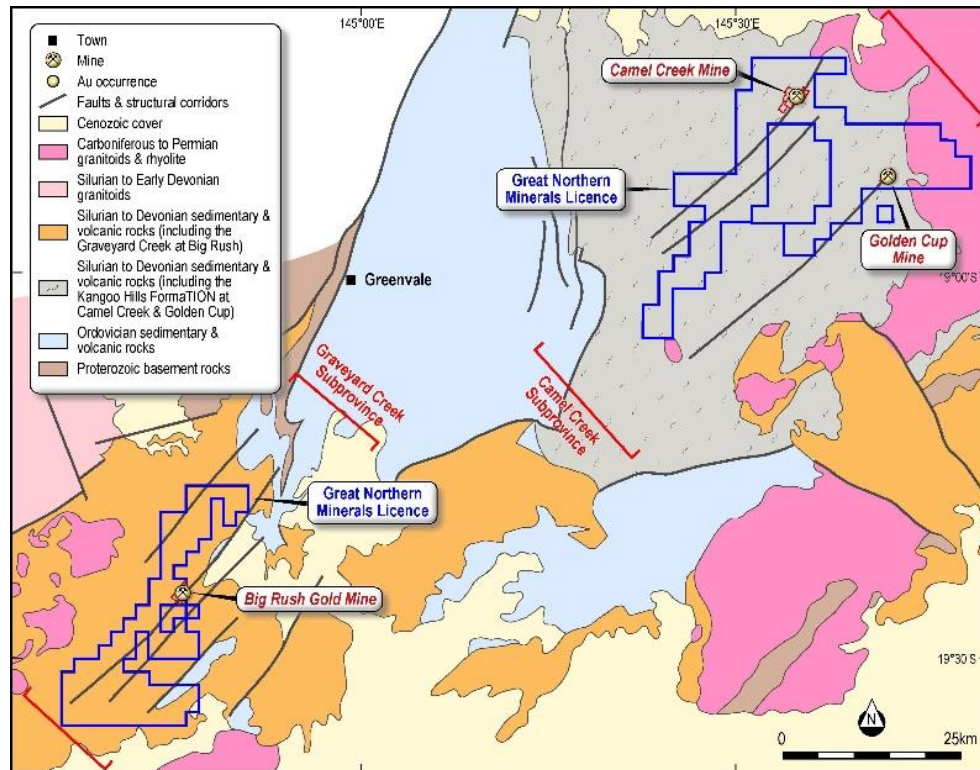
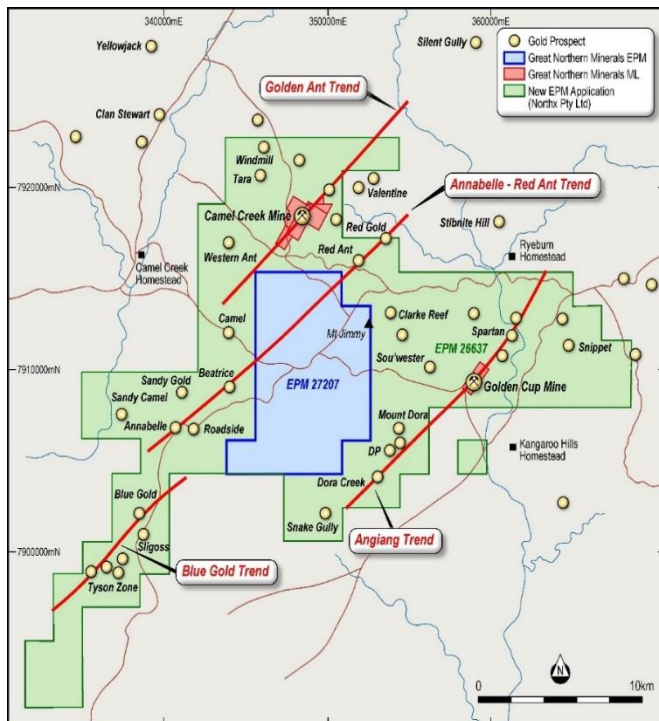
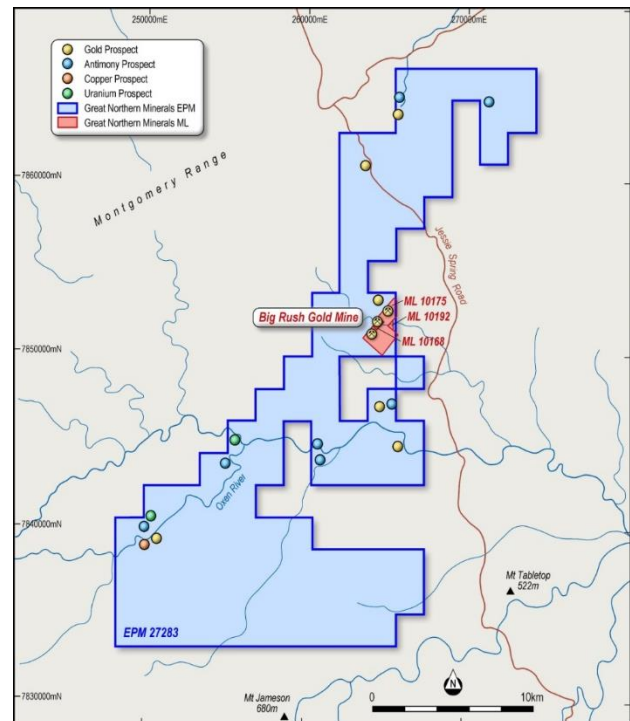


Figure 2: Camel Creek, Golden Cup and Big Rush Geological Location Plan



**Figure 3: Golden Cup & Camel Creek Projects
(325 square kilometres)**



**Figure 4: Big Rush Project
(300 square kilometres)**

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Big Rush RC Drilling Program: September 2020

The total recent drilling at Big Rush comprised 22 RC holes (BRRRC1012 to BRRRC1033) for 3,634 metres spread over approximately 900 metres of strike beneath the southern, central and northern previously mined shallow open pits. Drill hole depths ranged from 110 to 250 metres and averaged 165 metres.

Results included:

- **19m @ 5.11 g/t Au** (BRRRC1014) including **3m @ 21.73 g/t Au** from 77 metres
- **32m @ 1.32 g/t Au** (BRRRC1015) from 132 metres
- **28m @ 1.27 g/t Au** (BRRRC1018) from 91 metres
- **26m @ 1.99 g/t Au** (BRRRC1019) including **2m @ 17.56 g/t Au** from 119 metres
- **20m @ 1.28 g/t Au** (BRRRC1024) from 106 metres
- **11m @ 3.27 g/t Au** (BRRRC1025) from 144 metres
- **37m @ 2.28 g/t Au** (BRRRC1026) from 148 metres
- **8m @ 4.40 g/t Au** (BRRRC1030) from 155 metres

In October and November 2020 Great Northern Minerals Limited completed 4 HQ diamond holes for 1039.8 metres spread over approximately 200 metres of strike beneath the previously mined Central open pit at Big Rush. The individual detailed diamond results at Big Rush have highlighted an important laminated quartz vein which pinches and swells (boudinaged) and is the focus of the introduced gold at depth. The drilling has also allowed the commencement of a JORC 2012 resource estimate for Big Rush and final data compilation and validation has commenced for this work.

Drill Results include:

- **3.05m @ 4.23 g/t Au** (BRRCD003) including **0.45m @ 21.47 g/t Au** from 238 metres
- **5.15m @ 1.21 g/t Au** (BRRCD002) from 230 metres
- **5.3m @ 1.27 g/t Au** (BRRCD004) from 204 metres

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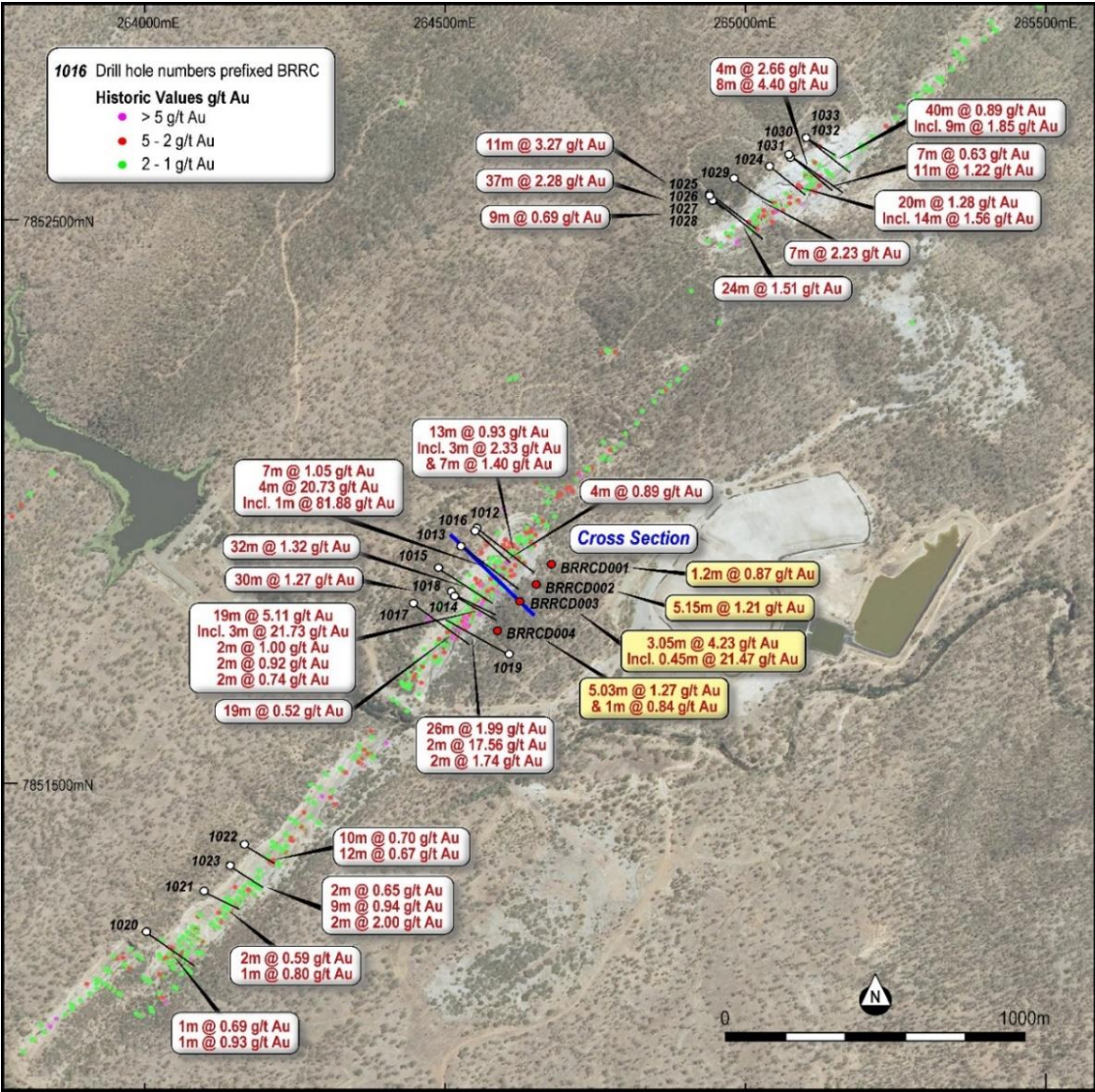


Figure 5: Big Rush Plan drill results

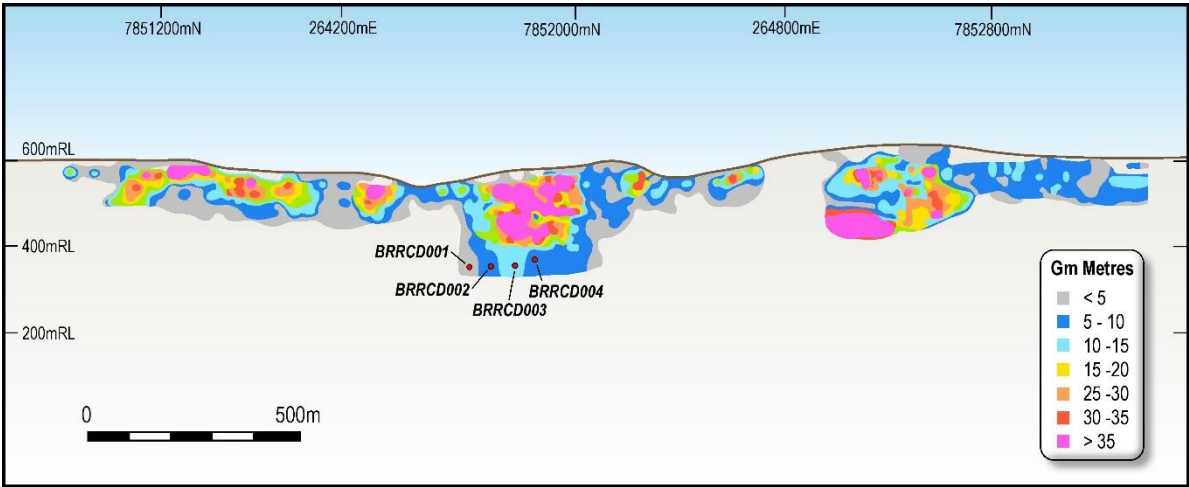


Figure 6: Big Rush Long Section (gram metres)

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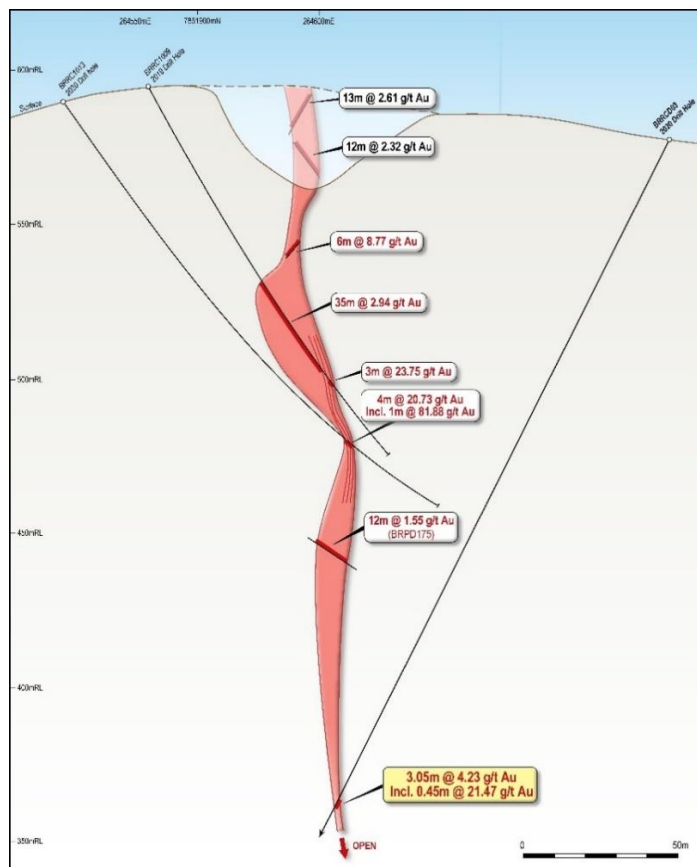


Figure 7: Cross Section One: Big Rush Drilling

Camel Creek Drilling

In July 2020 Great Northern Minerals Limited commenced and completed its maiden reverse circulation drilling program at Camel Creek, totaling 18 holes for 2,516 metres. This was the first systematic deep drilling program completed under the shallow oxide pits of the Camel Creek gold mineralized system. Previous historic mining at Camel Creek had been conducted over approximately 3.5 kilometres of strike and this initial drilling program focused on an initial 700 metres of strike with all drillholes intersecting the interpreted mineralized structure.

Results included:

- 24m @ 3.55 g/t Au (CCRC012) from 58m
- 8m @ 4.63 g/t Au (CCRC017) from 85m
- 9m @ 4.99 g/t Au (CCRC015) from 109m
- 8m @ 3.27 g/t Au (CCRC007) from 147m
- 4m @ 5.41 g/t Au (CCRC005) from 63m
- 4m @ 5.85 g/t Au (CCRC006) from 88m
- 10m @ 2.14 g/t Au (CCRC016) from 69m

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Encouragingly gold was encountered in every hole confirming strike continuity over the 700 metres, with significant additional upside along strike and at depth. The new holes drilled, the majority of which will require follow up drilling, were all drilled into the primary zone below the base of oxidation with hole depths ranging from 65 to 197 metres, with an average depth of 140 metres.

Two parallel zones were intersected in a number of holes highlighting multiple opportunities for further testing. An increase in quartz veining and sulphide content in general accompanies the gold intersections.

No deep drilling has ever been completed at Camel Creek previously and this systematic program highlighted the continuity of the mineralisation beneath the previously mined shallow open pits and demonstrated considerable additional potential.

In December 2020 an additional drilling program took place at Camel Creek encompassing the drilling of 15 Aircore and RC holes for 1,090 metres testing three different areas and extended the drill testing completed earlier by Great Northern Minerals to over 1,000 metres of strike. Hole depths ranged from 68 to 90 metres and averaged 73 metres total depth. A large number of significant intersections were returned.

The results from these two programs provide strong support for a substantial drilling program to follow which is expected to define a large gold resource at Camel Creek. Planning for this larger scale drilling program to test for additional extensions along strike and at depth has commenced.

Results included:

- **10m @ 6.63 g/t Au** (CCAC10) including 5m @ 12.20 g/t Au from 59 metres
- **5m @ 5.29 g/t Au** (CCAC11) from 47 metres
- **9m @ 4.93 g/t Au** (CCAC12) from 49 metres
- **11m @ 2.94 g/t Au** (CCAC13) from 46 metres
- **5m @ 3.12 g/t Au** (CCAC15) from 74 metres

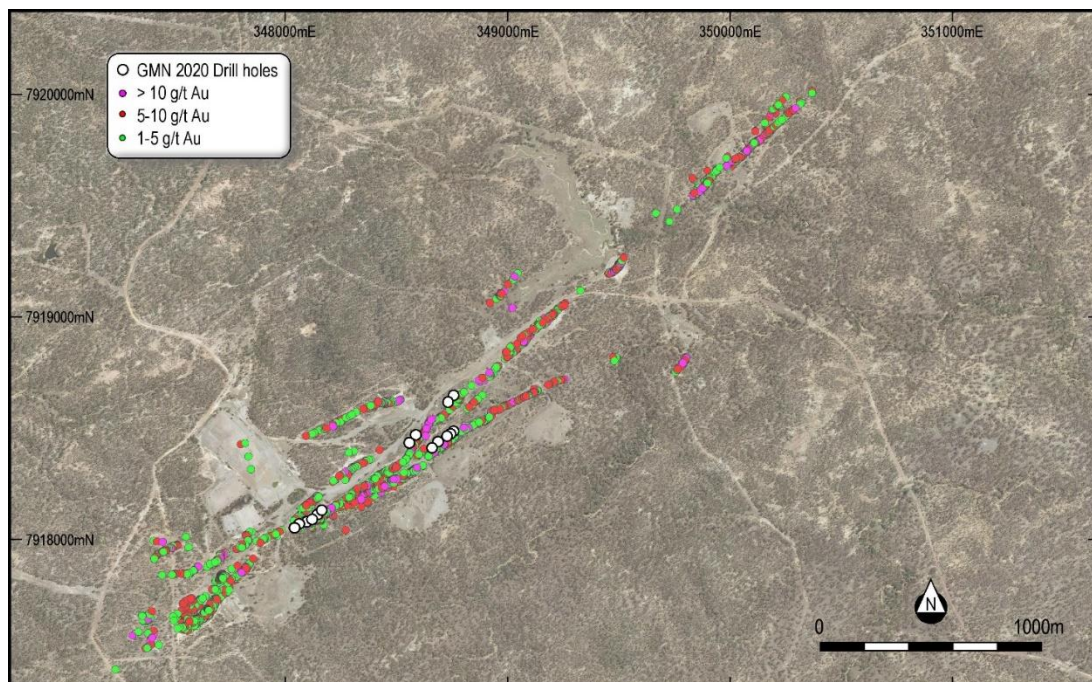


Figure 8: Camel Creek Overview, illustrating GNM 2020 collars highlighting extensive untested mineralised strike extent

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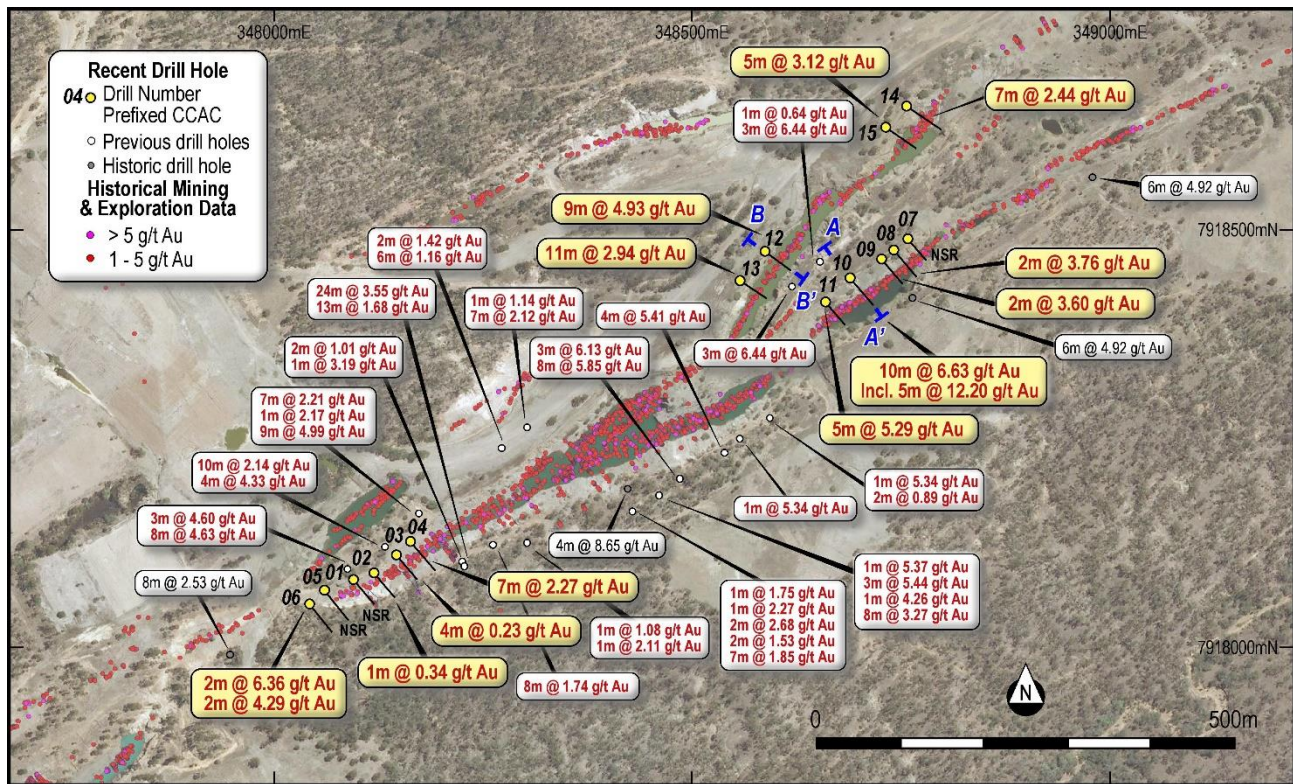


Figure 9: Camel Creek Detail, illustrating all GNM significant results

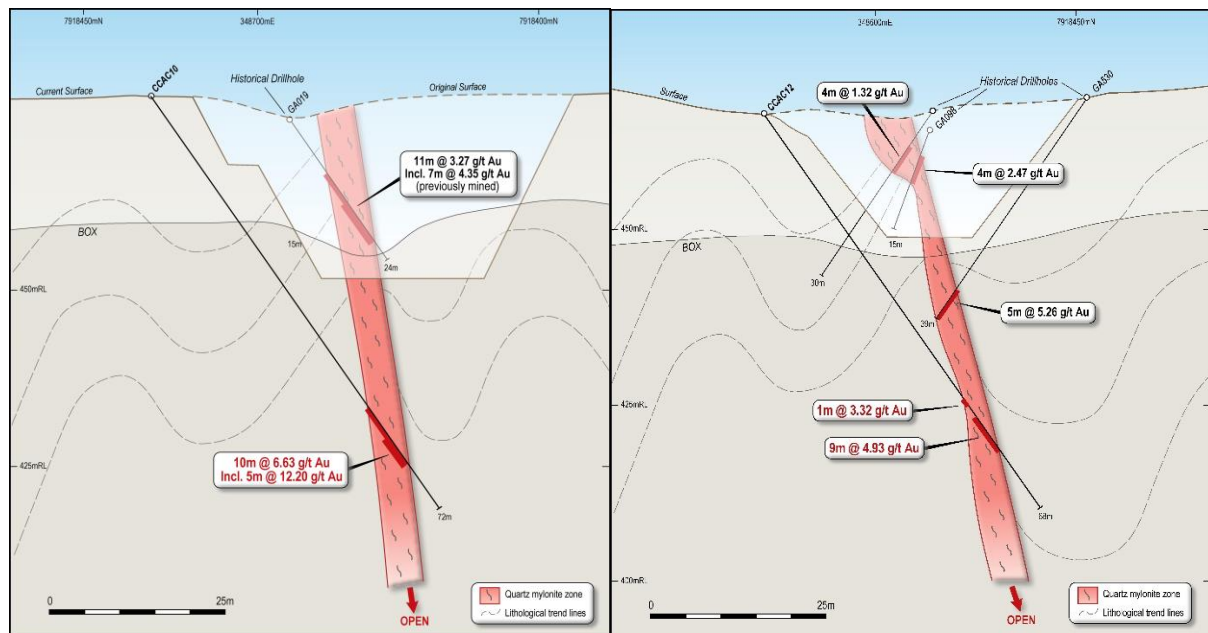


Figure 10: Cross Section One: (A→A): CCAC10

Figure 11: Cross Section One: (B→B) CCAC12

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On 10 December 2019, the Company announced a JORC resource estimate for Golden Cup of 256,000 tonnes at 3.6 g/t Au for approximately 30,000 ounces of contained gold, using a 0.75g/t gold cut-off grade and on 7th February 2020 a gold mineral resource at Big Rush of 558,322 tonnes at 2.62 g/t Au for 47,006 ounces of contained gold was estimated above a 0.75 g/t Au cut-off grade and below the previously mined Central Pit. Both the Golden Cup and Big Rush mineral resource estimate were independently estimated by resource geologist Andrew Beaton of AKB Mining Geology Services Pty Ltd ("AKB"), located in Townsville.

The Company views these as initial resource estimates with additional drilling likely to increase both the size of the deposits and to also upgrade the JORC classification of the deposits.

Project	Tonnes	Grade (g/t Au)	Ounces (Gold)
Golden Cup	256,504	3.60	29,721
Big Rush*	558,322	2.62	47,006
TOTAL	814,826	2.93	76,727

Table 4: Golden Ant Project: JORC 2012 Resources

*Subsequent to the half year end, the Big Rush resource estimate was updated following the successful drilling activities completed in 2020. A total of 3.50 million tonnes at 1.36 g/t Au for 154,000 ounces was estimated. (Refer to subsequent events section and ASX announcement released on 25 February 2021).

Following the purchase of the 100% interest in the North Queensland Gold Projects and the successful drilling programs completed at Big Rush and Camel Creek the company is planning a large RC program (+5000 metre) at Camel Creek, with some additional holes at Big Rush, drill testing underneath the northern pit at Big Rush, where a number of significant intersections remain to be tested at depth.

2021 should see a year of resource growth and an updated JORC 2012 estimate for Big Rush and a maiden 2012 maiden JORC 2012 for Camel Creek. Once the resource estimates are completed a scoping study can then be established to investigate the optimum economic path forward for these projects.

Competent Persons Statement

The information in this report that relates to the Mineral Resource estimate is based on information compiled by Mr Andrew Beaton. Mr Beaton is a Member of the Australasian Institute of Mining and Metallurgy and is a part time consultant to Great Northern Minerals Ltd. Mr Beaton has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Beaton consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to the Mineral Resource estimate is based on information compiled by Mr Lynn Widenbar of Widenbar and Associates. Mr Widenbar is a Member of the Australasian Institute of Mining and Metallurgy and is a resource consultant to Great Northern Minerals Ltd. Mr Widenbar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Widenbar consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Exploration Results is based on information compiled under the supervision of Simon Coxhell, the Technical Director of Great Northern Minerals Limited. Mr Coxhell is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience of relevance to the styles of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Coxhell consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

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Subsequent Events

- On 14 January 2021, the Company completed its second drilling program at Camel Creek. All final analytical results have been returned and compiled. A number of high grade gold results have been returned which provides confidence in the ability to develop a large gold resource at Camel Creek; and
- On the 25 February 2021, the Company released an updated resource estimate for the Big Rush deposit. The updated resource at Big Rush followed on from the active drilling campaign completed in 2020 which comprised a total of 22 RC holes for 3634 metres and 4 HQ diamond holes for 1040 metres. A total resource of 3.5 million tonnes at 1.36 g/t for 154,000 ounces was independently estimated by resource geologist Lynn Widenber of Widenbar and Associates. Combined GNM gold resources now total 184,000 ounces.

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Company that occurred subsequent to the period under review not otherwise disclosed in this report or in the financial report.

Disclosure Statement

It is recommended that this report is read in conjunction with the annual report for the year ended 30 June 2020 and considered together with any public announcements made by the Company during the half-year ended 31 December 2020 and to the date of this report in accordance with the continuous disclosure requirements of the Australian Securities Exchange ("ASX") Listing Rules.

Auditors Independence Declaration

A copy of the Auditors Independence Declaration by the lead auditor as required under section 307C of the *Corporations Act 2001* is included on page 12 to this half year report.

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

Director: 

Mr Kim Robinson

Dated this 16th March 2021

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF GREAT NORTHERN MINERALS
LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2020 there have 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.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

Amar Nathwani

Amar Nathwani
Director

Dated this 16th day of March 2021

ACCOUNTANTS & ADVISORS

Level 3, 15 Labouchere Road
South Perth WA 6151

PO Box 748
South Perth WA 6951

Telephone: +61 8 6436 2888

williambuck.com

Great Northern Minerals Limited

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Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Half Year Ended 31 December 2020

	31 December 2020 \$	31 December 2019 \$
Other Income	41,654	3,007
Administrative expenses	(628,308)	(622,455)
Depreciation and amortisation	(21,912)	(33,502)
Exploration and tenement costs	(1,398,406)	(879,262)
Impairment of receivables	-	(129,000)
Impairment of exploration and evaluation assets	-	(948,133)
Net loss before tax	(2,006,971)	(2,609,345)
Income tax (expense)/benefit	-	-
Net loss for the half year after tax	(2,006,971)	(2,609,345)

Other Comprehensive Income

Items that will not be subsequently recognised in profit or loss

Other Comprehensive Income for the half year, net of tax	-	-
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Total comprehensive loss for the half year	(2,006,971)	(2,609,345)
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Loss for the period is attributable to:

Owners of the Parent	(2,003,887)	(2,009,258)
Non-controlling interest	(3,084)	(600,087)
	(2,006,971)	(2,609,345)

Total comprehensive loss for the half year attributable to Owners of Great Northern Minerals Limited	(2,003,887)	(2,009,258)
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Attributable to owners of Great Northern Minerals Limited:

Basic loss per share (cents per share)	11	(0.81)	(1.18)
Diluted loss per share (cents per share)	11	(0.81)	(1.18)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

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Consolidated Statement of Financial Position As At 31 December 2020

	Note	31 December 2020 \$	30 June 2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	988,699	2,510,058
Trade and other receivables		139,368	259,440
Prepayments		157,145	20,308
Total current assets		1,285,212	2,789,806
Non-current assets			
Plant and equipment		96,901	101,951
Right of Use asset	12	83,885	98,375
Intangible assets		-	39
Exploration and evaluation assets	8	1,491,476	562,076
Total non-current assets		1,672,262	762,441
TOTAL ASSETS		2,957,474	3,552,247
LIABILITIES			
Current liabilities			
Trade and other payables		361,783	543,352
Lease liability	12	28,803	27,397
Provision	8	-	150,000
Total current liabilities		390,586	720,749
Non-current liabilities			
Lease liability	12	60,536	75,240
Provision	8	229,450	-
Total non-current liabilities		289,986	75,240
TOTAL LIABILITIES		680,572	795,989
NET ASSETS		2,276,902	2,756,258
EQUITY			
Contributed Equity	10	80,870,908	79,834,625
Reserves		602,511	295,056
Accumulated losses		(77,978,104)	(76,158,094)
Equity attributable to owners of the Parent Entity		3,495,315	3,971,587
Non-controlling interest (60% Ion Minerals)		(1,218,413)	(1,215,329)
TOTAL EQUITY		2,276,902	2,756,528

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

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Consolidated Statement of Changes in Equity For the Half Year Ended 31 December 2020

31 December 2020

	Note	Ordinary Shares \$	Option Reserve \$	Accumulated Losses \$	Attributable to Owners of Parent \$	Non-controlling Interest \$	Total \$
Balance at 1 July 2020		79,834,625	295,056	(77,373,423)	3,971,587	(1,215,329)	2,756,258
Loss for the half year		-	-	(2,006,971)	(2,003,887)	(3,084)	(2,006,971)
Total comprehensive loss for the half year		-	-	(2,006,971)	(2,003,887)	(3,084)	(2,006,971)
<i>Transaction with owners, recorded directly in equity</i>							
Expiry of unlisted options		-	(183,877)	183,877	-	-	-
Issue of lead manager options		-	491,332	-	491,332	-	491,332
Shares issued during the year (net of costs)		1,036,283	-	-	1,036,283	-	1,036,283
Balance as at 31 December 2020		80,870,908	602,511	(79,196,518)	3,495,315	(1,218,413)	2,276,902

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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Consolidated Statement of Changes in Equity For the Half Year Ended 31 December 2020

31 December 2019

	Note	Ordinary Shares \$	Option Reserve \$	Accumulated Losses \$	Attributable to Owners of Parent \$	Non-controlling Interest \$	Total \$
Balance at 1 July 2019		75,182,850	349,212	(74,202,336)	1,931,535	(601,809)	1,329,726
Loss for the half year		-	-	(2,609,345)	(2,009,258)	(600,087)	(2,609,345)
Total comprehensive loss for the half year		-	-	(2,609,345)	(2,009,258)	(600,087)	(2,609,345)
<i>Transaction with owners, recorded directly in equity</i>							
Shares issued for acquisition of Golden Ant Project	8	50,000	-	-	50,000	-	50,000
Shares issued during the year (net of costs)		1,322,870	-	-	1,322,870	-	1,322,870
Balance as at 31 December 2019		76,555,720	349,212	(76,811,681)	1,295,147	(1,201,896)	93,251

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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Consolidated Statement of Cash Flows For the Half Year Ended 31 December 2020

	Note	31 December 2020 \$	31 December 2019 \$
Cash generated from operating activities:			
Payments to suppliers and employees		(2,381,167)	(1,499,520)
Interest received		1,942	907
Research and development refund		155,620	223,835
Proceeds from royalty		-	22,000
Government assistance received		39,712	-
Net cash outflow in operating activities		(2,183,893)	(1,252,778)
Cash flows from investing activities:			
Acquisition of exploration assets		(849,450)	(65,000)
Acquisition of property, plant and equipment		(2,333)	-
Net cash outflow from investing activities		(851,783)	(65,000)
Cash flows from financing activities:			
Proceeds from the issues of shares		1,630,390	1,574,910
Transaction costs		(102,775)	(222,047)
Repayment of lease liabilities		(13,298)	(11,983)
Proceeds from borrowings		-	8,000
Repayment of borrowings		-	(8,000)
Net cash inflow from financing activities		1,514,317	1,340,880
Net increase/(decrease) in cash and cash equivalents		(1,521,359)	23,102
Cash and cash equivalents at beginning of period		2,510,058	222,277
Cash and cash equivalents at end of period	7	988,699	245,379

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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Notes to the consolidated financial statements For the Half Year Ended 31 December 2020

1 Summary of Accounting Policies

(a) Basis of Preparation

These general purpose financial statements for the half year reporting period ended 31 December 2020 have been prepared in accordance with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34: *Interim Financial Reporting*.

These half year financial statements do not include all the notes of the type normally included in the annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these half year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2020 and any public announcements made by Great Northern Minerals Limited during the half year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the Australian Securities Exchange Listing Rules.

The same accounting policies and methods of computation have been followed in these half year financial statements as compared with the most recent annual financial statements; except for the adoption of the following new and revised accounting standards.

(b) New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are yet not mandatory have not been early adopted.

(c) Critical accounting estimates and judgements

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

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an appropriate option-pricing model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Rehabilitation provision

Upon finalisation of the acquisition of the Golden Ant Project (refer to Note 8), the Group assumed the rehabilitation obligations in respect to the tenements and a \$229,450 bond for rehabilitation costs held by Queensland's Department of Environment and Science. The Queensland government has recently undergone the process of redesigning its rehabilitation requirements and implemented a new Estimated Rehabilitation Cost scheme. The Group is currently reviewing its obligations under the revised scheme. As a result, a larger provision may be required for which the Group may need to raise additional capital to fund.

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Notes to the consolidated financial statements For the Half Year Ended 31 December 2020

2 Going Concern

For the period ended 31 December 2020 the Group recorded a consolidated loss of \$2,006,971 (31 December 2019: \$2,609,345) and incurred net cash outflows from operations of \$2,183,893. As at 31 December 2020 the Group reported a working capital surplus of \$894,626 including a cash balance of \$988,699.

Management have prepared a cashflow forecast which has been reviewed by the directors. The cashflow forecast includes a capital raising in the second half of the 2021 financial year to fund the Group's exploration work and working capital requirements.

The directors also have the ability to reduce expenditure if required.

After consideration of the factors above, the directors believe there are reasonable grounds to believe the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

Should the Company be unable to raise the required funding, there is a material uncertainty that may cast significant doubt on whether the Group will be able to continue as a going concern and therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amount stated in the financial report.

3 Contingent Liabilities and Assets

There have been no additional contingent liabilities or contingent assets recognised since the end of the previous annual reporting period, 30 June 2020.

The Group had contingent liabilities at 31 December 2020 in respect of:

- The Group has provided bank guarantees in favour of the Minister of Energy and Resources with respect to a security deposit and in favour of Minister of Energy and Resources Victoria with respect to a contract performance at 30 June 2020. The total of these guarantees at 31 December 2020 was \$32,533 with a financial institution (30 June 2020: \$32,533).

Contingent Assets

The Group had no contingent assets at 31 December 2020.

4 Exploration and Evaluation Assets

Exploration and evaluation expenditure is generally written off in the year it is incurred, except for acquisition costs which are carried forward where right to tenure of the area of interest (i.e. tenement) is current and is expected to be recouped through sale or successful development and exploitation of the area of interest, or where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to the area of interest. The carrying value of any capitalised expenditure is assessed by the Directors each year to determine if any provision should be made for the impairment of the carrying value. The appropriateness of the Group's ability to recover these capitalised costs has been assessed at year end and the Directors are satisfied that the value is recoverable.

The carrying value of exploration and evaluation expenditure assets are assessed for impairment at an overall level whenever facts and circumstances suggest that the carrying amount of the assets may exceed recoverable amount. An impairment exists when the carrying amount of the assets exceed the estimated recoverable amount. The assets are then written down to their recoverable amount. Any impairment losses are recognised in the income statement.

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Notes to the consolidated financial statements For the Half Year Ended 31 December 2020

5 Impairment of Non-Financial Assets

At each reporting date the Group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, the recoverable amount is determined, and impairment losses are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income where the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate the recoverable amount for an individual asset, recoverable amount is determined for the cash generating unit to which the asset belongs.

6 Planned project expenditure

	31 December 2020	30 June 2020
Planned project expenditure	\$	\$
Exploration Permits	1,411,792	1,458,687
Total	1,411,792	1,458,687

	31 December 2020	30 June 2020
Planned project expenditure	\$	\$
- not later than 12 months	340,158	317,158
- between 12 months and 5 years	914,740	964,889
- more than five years	156,894	176,640
Total	1,411,792	1,458,687

The amounts detailed above is the minimum expenditure required to maintain ownership of the current tenements held. Any planned exploration expenditure may be cancelled if a tenement is surrendered.

7 Cash and Cash Equivalents

	31 December 2020	30 June 2020
Cash and Cash Equivalents:	\$	\$
Cash at bank	946,063	2,442,428
Short term deposits	42,636	67,630
Total	988,699	2,510,058

As at 31 December 2020 there is a restriction on available cash of \$32,533. The Group has a number of short term deposits held as a security for various Victorian exploration licenses on released tenements. The Group anticipates that the securities should be released shortly.

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Notes to the consolidated financial statements For the Half Year Ended 31 December 2020

8 Exploration and Evaluation Assets

Movements in Exploration and Evaluation Assets

	Exploration permits \$	Total \$
Year ended 31 December 2020		
Opening balance as at 1 July 2020	562,076	562,076
Rehabilitation Provision Asset	229,450	229,450
Exploration Expenditure Consideration Capitalised*	849,950	849,950
Reversal of Deferred Consideration Capitalised*	(150,000)	(150,000)
Balance at 31 December 2020	1,491,476	1,491,476

* On 15 August 2019, Great Northern Minerals announced that it had exercised the Option Agreement with Q-Generate Pty Ltd to acquire the former gold producing mines of Camel Creek, Golden Cup and Big Rush ("The Golden Ant Project") in Northern Queensland. Management have accounted for this transaction as an acquisition of assets and not as a business combination since, at the date of acquisition, the Golden Ant Project did not have the processes and outputs expected of an operating business. The Consideration for the acquisition comprised of:

- ♦ Upfront Consideration consisting to be paid at settlement, of \$20,000 for the grant of Exclusive Option fee, \$50,000 cash payment and \$50,000 worth of fully paid ordinary shares in GNM (formerly GPP) to be issued to the owner (or its nominee, on behalf of the vendors), the issue price of which will be calculated on the basis of a 30 day VWAP prior to the date of the Options Exercise Notice is issued (with a minimum floor price of \$0.003 per share);
- ♦ Deferred Consideration to be paid post settlement and subject to achievement of Milestones as follows:
 - \$50,000 in cash and \$100,000 in GNM shares to be issued upon estimation of JORC compliant Measured Mineral Resource of at least 100,000 ounces of gold at the Project; and
 - \$1,500,000 in cash or GNM shares (subject to shareholder approval) upon estimation of JORC compliant Measured Mineral Resource of at least 100,000 ounces of gold at the Project and either 12 months after the grant of Environmental Access in respect of the licences or 24 months after the settlement.

On 10 August 2020, Great Northern Minerals Limited announced that it had entered into a deed of variation to the Heads of Agreement with Q-Generate Pty Ltd to accelerate the completion of 100% ownership of the North Queensland gold projects. The parties to the agreement have mutually agreed to reduce the agreed deferred and further deferred consideration via an early cash payment of \$849,950, representing a discount of approximately 50% to the existing deferred and further deferred consideration per Heads of Agreement, totalling \$1.732M, which resulted in completion of Great Northern Minerals' 100% ownership of the Queensland gold projects. Great Northern Minerals Limited made the early cash payment of \$849,950 during August 2020.

9 Segment Reporting

The Group operates predominantly in one business and geographical segment being Exploration activities throughout Australia.

The Group via a heads of agreement was funding exploration in Guyana undertaken by Great Northern Minerals exploration partner and operator Guyana Strategic Minerals Inc.

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Notes to the consolidated financial statements For the Half Year Ended 31 December 2020

10 Issued Capital

	31 December 2020		30 June 2020	
	No	\$	No	\$
Ordinary shares				
- Opening balance	822,087,117	79,834,625	1,943,207,165	75,182,850
- Shares issued during the period	85,832,487	1,630,389	949,234,267	5,195,826
- Shares issued for acquisition of Golden Ant Project	-	-	1,666,666	50,000
- Cost of listing shares	-	(594,106)	-	(594,051)
- Consolidation of issued capital on 10:1 basis	-	-	(2,072,020,981)	-
Closing Balance	907,919,604	80,870,908	822,087,117	79,834,625

11 Earnings Per Share

Both the basic and diluted earnings per share have been calculated using the loss attributable to shareholders of the Parent as the numerator, i.e. no adjustments to loss were necessary during the six months period to 31 December 2020 and 31 December 2019.

The weighted average number of shares for the purpose of the calculation of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	31 December 2020	31 December 2019
Weighted average number shares used in basis earnings per share	247,168,382	170,208,191
Total	247,168,382	170,208,191

907,919,604 (six months ended 31 December 2019: 346,935,835) of potential ordinary shares have not been considered in calculating diluted EPS as they are anti-dilutive.

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Notes to the consolidated financial statements For the Half Year Ended 31 December 2020

12 Right-of-use asset

	31 December 2020	30 June 2020
	\$	\$
Right-of-use asset	125,591	125,591
Accumulated depreciation	(41,706)	(27,216)
Total	83,885	98,375

	31 December 2020	30 June 2020
	\$	\$
Lease liability – current	28,803	27,397
Lease liability – non current	60,536	75,240
Total	89,339	102,637

The Company entered into a rental lease for their office premises in September 2018. The term of the lease is five years, with the option to extend for another three years. The value of the right-of-use asset was calculated based on the particulars of the lease. Variables which were taken into account include the lease term, rent per annum, clauses for rent increases, rent abatements, and the option to extend (the option to extend was not taken into account, as the Company has not made a firm decision on this matter). The right-of-use asset will be depreciated over the lease term, the depreciation expense and lease liability will be expensed. In subsequent reporting periods, the right-of-use asset will be revalued to reflect the remaining life of the lease.

13 Interest in Controlled Entities

			Percentage Owned 31 December 2020	Percentage Owned 30 June 2020
	Principal Activity	Country of incorporation		
Subsidiaries of parent entity:				
Greenpower Group Ltd	Investment	Australia	100	100
Greenpower Gold Pty Ltd	Investment	Australia	100	100
Northern Exploration Pty Ltd	Exploration NT	Australia	100	100
Sawells Pty Ltd	Coal Exploration VIC	Australia	100	100
Greengrowth Energy Pty Ltd	Non-trading	Australia	95	95
Greenpower Chemicals Pty Ltd	Non-trading	Australia	100	100
Greenpower Guyana Pty Ltd	Investment	Australia	100	100
Ion Minerals Pty Ltd	Exploration	Australia	40	40
Golden Ant Mining Pty Ltd	Exploration Qld	Australia	100	-
Alphadale Pty Ltd	Exploration Qld	Australia	100	-

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Notes to the consolidated financial statements For the Half Year Ended 31 December 2020

14 Subsequent Events

- On 14 January 2021, the Company has now completed its second drilling program at Camel Creek. All final analytical results have been returned and compiled. A number of High grade gold results have been returned which provides confidence in the ability to develop a large gold resource at Camel Creek; and
- On the 25 February 2021, the Company released an updated resource estimate for the Big Rush deposit. The updated resource at Big Rush followed on from the active drilling campaign completed in 2020 which comprised a total of 22 RC holes for 3634 metres and 4 HQ diamond holes for 1040 metres. A total resource of 3.5 million tonnes at 1.36 g/t for 154,000 ounces was independently estimated by resource geologist Lynn Widenber of Widenbar and Associates. Combined GNM gold resources now total 184,000 ounces.

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Company that occurred subsequent to the period under review not otherwise disclosed in this report or in the financial report.

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Declaration by Directors

For the Half Year Ended 31 December 2020

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 13 to 24 are in accordance with the *Corporations Act 2001* and:
 - (a) give a true and fair view of the financial position of the consolidated entity as at 31 December 2020 and of its performance as represented by the results of its operations and cash flows for the half year ended on that date; and
 - (b) comply with Accounting Standard AASB 134: *Interim Financial Reporting*, *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
2. 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.

Director 

Mr Kim Robinson

Dated 16th March 2021

Great Northern Minerals Limited

Independent auditor's review report

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Great Northern Minerals Limited (the Company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Great Northern Minerals 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 Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which states that the Group incurred a net loss of \$2,006,971 and a net operating cash outflow of \$2,183,893 during the half-year ended 31 December 2020. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibility of Management for the 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

ACCOUNTANTS & ADVISORS

Level 3, 15 Labouchere Road
South Perth WA 6151

PO Box 748
South Perth WA 6951

Telephone: +61 8 6436 2888

williambuck.com

Independent auditor's review report to members (cont.)

necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we 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 Group's financial position as at 31 December 2020 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*.

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 we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124



Amar Nathwani
Director

Dated this 16th Day of March 2021