AURIC MINING LIMITED
AND CONTROLLED ENTITIES

(ABN 29 635 470 843)

FINANCIAL STATEMENTS

FROM 12 AUGUST 2019 (DATE OF INCORPORATION) TO 31 DECEMBER 2020

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CONTENTS PAGE

Directors' Report

Your directors present their report on the consolidated entity (referred to herein as the Group) consisting of Auric Mining Limited ("Auric") ("Company") and its controlled entities for the period from 12 August 2019 (date of incorporation) to 31 December 2020.

Directors

The following persons were directors of the Company during or since the end of the financial period up to the date of this report:

Steven Morris – Non-Executive Chair (Appointed 4 May 2020)

Mark English – Managing Director

John Utley – Executive Director (Appointed 10 February 2020)

Stephen Strubel – Executive Director & Company Secretary

Particulars of each director's experience and qualifications are set out later in this report.

Operating and Financial Review

Nature of Operations and Principal Activities

The principal activities of the Group during the financial period were gold exploration and development.

Financial Review

For the period ended 31 December 2020, the Group incurred a loss after income tax of $750,871.

Covid-19 response

Auric continues to proactively manage the potential impact of the Covid-19 global pandemic on the Group's operations. While the financial impact on the Group up to 31 December 2020 has been negligible, it is impracticable to estimate the potential impact after the reporting date. The situation is dependent on measures imposed by governments at jurisdictions in which the Group operates. No other matter or circumstances has arisen since 31 December 2020 that has significantly affected or may significantly affect the Group's operations in future financial years, other than detailed in this report.

Significant Changes in the State of Affairs

The Company closed the IPO and Prospectus on 27 January 2021 and successfully listed on the Australian Securities Exchange (ASX) on 12 February 2021 following the capital raising of $7.26 million. Other than these issues, there were no other significant changes to the state of affairs of the Group.

Dividends Paid or Recommended

The Group did not pay any dividend during the financial period ended 31 December 2020 and no dividend is recommended.

Indemnifying Officers or Auditor

During the period, the Group maintained an insurance policy which indemnifies the directors and officers in respect of any liability incurred in connection with the performance of their duties as directors and officers of the Group to the extent permitted by the *Corporations Act 2001*. During the financial period, the Group paid premiums of $14,014.

The Group has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. During the financial period, the Group has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Directors' Report

Events Subsequent to the End of the Financial Period

The Company closed the IPO and Prospectus on 27 January 2021 and successfully listed on the Australian Securities Exchange (ASX) on 12 February 2021 following the capital raising of $7.26 million by the issuance of 29,025,667 shares at $0.25 per share and 43,908,175 options exercisable at $0.40 per option expiring 31 October 2023 for nil consideration.

Other than the above, there are no other significant after balance date events that are not covered in this Directors' Report or within the Financial Report.

Likely Developments and Expected Results of Operations

Likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations, not otherwise disclosed in this report, have not been included as the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.

Environmental Regulations

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law as it is still in exploration stages.

Proceedings on Behalf of the Company

No person has applied for leave of a Court to bring proceedings against the Company or 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 any part of those proceedings.

The Company was not a party to any Court proceedings during the period.

Non-audit Services

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

– all non-audit services are reviewed and approved prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

– the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: *Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or payable to William Buck for non-audit services provided during the period ended 31 December 2020:

	$
Accounts preparation assistance	2,800
Investigating Accountants Report	11,000
	13,800

Auditor's Independence Declaration

The lead auditor's independence declaration for the period ended 31 December 2020 has been received and can be found on page 10 of the financial report.

Directors' Report

Options

At the date of this report, the unissued ordinary shares of Auric Mining Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
29 January 2021	31 October 2023	$0.40	43,908,175

Option holders do not have any rights to participate in any issues of shares or other interests of the Company or any other entity.

There have been no options granted over unissued shares or interests of any controlled entity within the Group since the end of the financial period other than detailed above.

During the period ended 31 December 2020, no shares of Auric Mining Limited were issued on the exercise of options granted.

No person entitled to exercise an option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

During the period, 26,595,349 options were granted and issued to various parties. All the options were cancelled on 17 November 2020 and were re-issued on 29 January 2021. The options granted during the period ended 31 December 2020 have been brought to account in these financial statements in the share option reserve.

Information Relating to Directors and Company Secretary

Steven Morris	–	Non-executive Chair
Qualifications	–	Diploma of financial markets (FINSIA)
Experience	–	Previous roles include Head of Private Clients (Australia) for Patersons Securities, Managing Director of Intersuisse Ltd, Founder and Managing Director of Peloton Shareholder Services and senior executive roles within the Little Group.
Interest in Shares and Options	–	6,125,000 ordinary shares of Auric Mining Limited 2,312,500 options of Auric Mining Limited
Directorships held in other listed entities during the three years prior to the current year	–	Steven was previously: The Chair of Purifloh Ltd (ASX:PO3) until November 2019 A Director of De Grey Mining Ltd (ASX: DEG) until July 2019
Mark English	–	Managing Director
Qualifications	–	Bachelor of Business (Curtin University) Fellow of the Institute of Chartered Accountants Australia and New Zealand
Experience	–	A director of a number of public and large proprietary limited companies throughout his career. He was the founding director of Bullion Minerals Ltd ("Bullion") that he managed for 7 years prior to taking Bullion to an IPO. Mark is a founding director and shareholder in the Moora Citrus group of companies, the largest Citrus Orchard in Western Australia. Mark recently acted as the finance director of Pela Global Ltd (an unlisted mining company with assets in Eastern Europe) between 2016 to 2018 and assisted with equity and debt raisings
Interest in Shares and Options	–	6,531,767 ordinary shares of Auric Mining Limited 2,515,834 options of Auric Mining Limited
Directorships held in other listed entities during the three years prior to the current year	–	None

Directors' Report

John Utley	–	Technical Director
Qualifications	–	Master's of Science in Earth Sciences (University of Waikato, New Zealand) Member of the Australian Institute of Mining and Metallurgy Member of the Australian Institute of Geoscientists
Experience	–	John has over 30 years of experience, working on projects in the Solomon Islands, Papua New Guinea, Chile, Canada and Australia, including extensive experience in the West Australian Goldfields. He was the Chief Geologist for Atlantic Gold Corporation, during exploration and development of the Touquoy Gold Mine and other gold deposits in Nova Scotia, prior to its acquisition by St Barbara Ltd.
Interest in Shares and Options	–	6,420,000 ordinary shares of Auric Mining Limited 2,527,500 options of Auric Mining Limited
Directorships held in other listed entities during the three years prior to the current year	–	None
Stephen Strubel	–	Executive Director and Company Secretary
Qualifications	–	Bachelor of Business in Banking and Finance/International Trade (Victoria University) Graduate Certificate in Business (Finance) (Victoria University) Master's in Business Administration (Australian Institute of Business) Fellow Governance Institute of Australia (FGIA)
Experience	–	Stephen was a Director and Company Secretary of Pela Global Ltd (an unlisted mining exploration company with assets in Eastern Europe) for several years. He was also the past Company Secretary of ASX-listed Purifloh Ltd (ASX:PO3) as well as numerous listed and unlisted entities. Prior to which he worked in financial markets in Melbourne for approximately 10 years with Patersons Securities and FIIG Securities.
Interest in Shares and Options	–	6,165,100 ordinary shares of Auric Mining Limited 2,332,500 options of Auric Mining Limited
Directorships held in other listed entities during the three years prior to the current year	–	None

Meetings of Directors

During the financial period, 11 meetings of directors were held. Attendance by each director during the period was as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Steven Morris	10	10
Mark English	11	11
John Utley	11	11
Stephen Strubel	11	11

In addition, all other matters requiring approval by the directors, have been approved by Circular Resolution. There were 13 such resolutions.

Directors' Report

REMUNERATION REPORT (AUDITED)

Remuneration Policy

The remuneration policy of the company has been designed to align key management personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of the company believes the remuneration policy to be appropriate and effective in its ability to attract and retain high-quality KMP to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

For the purposes of this report, KMP comprises executive and non-executive directors of the Group, as follows:

Steven Morris – Non-Executive Chair
Mark English – Managing Director
John Utley – Technical Director
Stephen Strubel – Executive Director and Company Secretary

The Board's policy for determining the nature and amount of remuneration for KMP of the Group is based on the following:

- The remuneration policy is to be developed and approved by the Board after professional advice, if required, is sought from independent external consultants.
- All KMP receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits and performance incentives.
- Performance incentives are generally only paid once predetermined key performance indicators (KPI's) have been met.
- Incentives paid in the form of options or rights are intended to align the interests of the directors and company with those of the shareholders. In this regard, KMP are prohibited from limiting risk attached to those instruments by use of derivatives or other means.
- The Board reviews KMP packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors.

The performance of KMP is measured against criteria agreed generally six monthly with each executive and is based predominantly on the forecast growth of shareholders' value or mining resources under management. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes at any time. Any change must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance results leading to long-term growth in shareholder wealth.

KMP receive, at a minimum, a superannuation guarantee contribution required by the government, which is currently 9.5% of the individual's average weekly ordinary time earnings (AWOTE). Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to KMP is valued at the cost to the Group and expensed.

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The current amount has been set at an amount not to exceed $250,000 per annum. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at general meeting.

KMP are also entitled and encouraged to participate in the employee share and option arrangements to align directors' interests with shareholders' interests.

Options granted under the arrangement do not carry dividend or voting rights. Each option is entitled to be converted into one ordinary share once the interim or final financial report has been disclosed to the public and is measured using the Hoadley methodology.

Directors' Report

REMUNERATION REPORT (AUDITED)

Performance-based Remuneration

KPI's are set either six monthly or annually, with a certain level of consultation with KMP. The measures are specifically tailored to the area each individual is involved in and has a level of control over. The KPI's target areas the Board believes hold greater potential for Group expansion and shareholder value, covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures for the Group and respective industry standards.

Performance in relation to the KPI's is assessed either six monthly or annually, with bonuses being awarded depending on the number and deemed difficulty of the KPI's achieved. Following the assessment, the KPI's are reviewed by the Board in light of the desired and actual outcomes, and their efficiency is assessed in relation to the Group's goals and shareholder wealth, before the KPI's are set for the following period.

In determining whether or not a KPI has been achieved, the Company bases the assessment on audited figures; however, where the KPI involves comparison of the Group, or a division within the Group, to the market, independent reports are obtained from organisations such as Standard & Poor's.

Relationship between Remuneration Policy and Company Performance

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. The method has been applied to achieve this aim, the first being a performance-based bonus based on KPI's.

Employment Details of Members of Key Management Personnel

The following table provides employment details of persons who were, during the financial period, members of KMP of the Group. The table also illustrates the proportion of remuneration that was performance and non-performance based.

	Position Held as at 31 December 2020 and any Change During the Period	**Contract Details (Duration and Termination)**	**Proportions of Elements of Remuneration Related to Performance (Other than Options Issued)**		**Proportions of Elements of Remuneration Not Related to Performance**
			Non-salary Cash- based Incentives	Shares/ Units	Fixed Salary/Fees
			%	%	%
Group KMP					
Steven Morris	Non-executive Chair	Consultancy agreement commenced 14 December 2020 for three years. The Company may terminate the Consultancy Agreement with three months' notice. The Consultant may terminate the Consultancy Agreement by giving the Company one months' notice or immediately if Mr Morris ceases to be a Director of the Company.	–	–	100
Mark English	Managing Director	Executive Services agreement commenced 14 December 2020 and continues in force till terminated. The Company may terminate the Agreement with three months' notice and the payment of twelve months base salary. The executive may terminate the Agreement by giving the Company three months' notice and being paid twelve months base salary upon certain events.	49	–	51

Directors' Report

REMUNERATION REPORT (AUDITED)

	Position Held as at 31 December 2020 and any Change During the Period	Contract Details (Duration and Termination)	Proportions of Elements of Remuneration Related to Performance (Other than Options Issued)		Proportions of Elements of Remuneration Not Related to Performance
			Non-salary Cash-based Incentives	Shares/ Units	Fixed Salary/Fees
			%	%	%
Group KMP					
John Utley	Technical Director	Executive Services agreement commenced 14 December 2020 and continues in force till terminated. The Company may terminate the Agreement with three months' notice and the payment of twelve months base salary. The executive may terminate the Agreement by giving the Company three months' notice and being paid twelve months base salary upon certain events.	47	–	53
Stephen Strubel	Executive Director/ Company Secretary	Executive Services agreement commenced 14 December 2020 and continues in force till terminated. The Company may terminate the Agreement with three months' notice and the payment of twelve months base salary. The executive may terminate the Agreement by giving the Company three months' notice and being paid twelve months base salary upon certain events.	–	–	100

The employment terms and conditions of all KMP are formalised in contracts of employment.

Remuneration Expense Details for the Period Ended 31 December 2020

The following table of benefits and payments represents the components of the current period remuneration expenses for each member of KMP and their related parties of the Group. Such amounts have been calculated in accordance with Australian Accounting Standards.

Table of Benefits and Payments Due for the Period Ended 31 December 2020, including related parties

	Short-term benefits			Post-employment	Other long-term benefits	Share-based payments			Total	Performance related	Equity compensation
2020	Salary & Fees $	Bonus $	Non-cash benefits $	Super $	Long service leave $	Share rights $	Shares $	Loan funded shares $	$	%	%
Directors											
Steven Morris	18,500	-	-	-	-	-	-	-	18,500	-	-
Mark English	124,132	120,000	-	868	-	-	-	-	245,000	48.98	-
John Utley	133,876	120,000	-	701	-	-	-	-	254,577	47.14	-
Stephen Strubel	19,029	-	-	240	-	-	-	-	19,269	-	-
Total	**295,537**	**240,000**	**-**	**1,809**	**-**	**-**	**-**	**-**	**537,346**	**-**	**-**

Directors' Report

REMUNERATION REPORT (AUDITED)

Securities Received that Are Not Performance-related

No members of KMP are entitled to receive securities that are not performance-based as part of their remuneration package.

Cash Bonuses, Performance-related Bonuses and Share-based Payments

Bonuses of $120,000 each were accrued for Mark English and John Utley for the successful IPO and ASX listing. The split of cash and shares is to be agreed. No share-based payments were made or accrued.

KMP Shareholdings

The number of ordinary shares in Auric Mining Limited held by each KMP and their related parties of the Group during the financial period and up to the date of this financial report is as follows:

	Balance at Beginning of Period	Granted as Remuneration During the Period	Issued on Exercise of Options During the Period	Shares Acquired	Balance at End of Period	Issued Subsequent to Reporting Period	Balance at Signing Date of this report
Steven Morris	0	0	0	6,125,000	6,125,000	0	6,125,000
Mark English	100	0	0	6,191,667	6,191,767	340,000	6,531,767
John Utley	0	0	0	6,260,000	6,260,000	160,000	6,420,000
Stephen Strubel	100	0	0	6,125,000	6,125,100	40,000	6,165,100
	200	0	0	24,701,667	24,701,867	540,000	25,241,867

The number of options in Auric Mining Ltd held by each KMP and their related parties of the Group during the financial period and up to the date of this financial report is as follows:

	Balance at Beginning of Period	Granted as Remuneration During the Period	Other Changes During the Period	Balance at End of Period	Issued Subsequent to Reporting Period	Balance at Signing Date of this report
Steven Morris	0	0	0	0	2,312,500	2,312,500
Mark English	0	0	0	0	2,515,834	2,515,834
John Utley	0	0	0	0	2,527,500	2,527,500
Stephen Strubel	0	0	0	0	2,332,500	2,332,500
	0	0	0	0	9,688,334	9,688,334

There have been no transactions involving equity instruments apart from those described in the tables above relating to options, rights and shareholdings.

Other Transactions with KMP and/or their Related Parties

There were no other transactions conducted between the Group and KMP or their related parties, apart from those disclosed above relating to equity and compensation that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

END OF REMUNERATION REPORT

Directors' Report

Corporate Governance Statement

In recognising the need for high standards of corporate behaviour and accountability, the Directors of the Company support the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council and considers that the company is in compliance with those guidelines to the extent reasonable in respect of the Company's circumstances, which are of importance or relevant to the commercial operation of developing listed resources companies.

The Company's Corporate Governance statement is located on the Company's website at www.auricmining.com.au

This directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors:

Director..

18th March 2021
Perth, WA
M A English
Managing Director

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF AURIC MINING LIMITED

I declare that, to the best of my knowledge and belief, during the period 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 audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN: 59 116 151 136

J.C. Luckins
Director

Melbourne, 18th March 2021

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Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Period ended 31 December 2020

	Note	Consolidated Group Period from 12 August 2019 (date of incorp) to 31 December 2020 $
Continuing operations		
Employee benefits expense		(537,346)
Depreciation and amortisation expense		(388)
Consultant fees		(71,562)
Accounting fees		(30,464)
Audit fees		(32,800)
Legal expenses		(43,820)
Other expenses		(34,491)
Loss before income tax		(750,871)
Income tax expense	3	-
Net loss from continuing operations		(750,871)
Net loss for the period		(750,871)
Other comprehensive income		-
Total comprehensive loss for the period		(750,871)
Net loss attributable to Owners of the Parent Entity		(750,871)
Total comprehensive loss attributable to Owners of the Parent Entity		(750,871)
Earnings per share		
From continuing operations:		
Basic earnings per share (cents)	6	(3.91)
Diluted earnings per share (cents)	6	(3.91)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position as at 31 December 2020

	Note	Consolidated Group 31 December 2020 $
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	7	176,418
Other receivables	8	54,098
Prepayments		17,812
TOTAL CURRENT ASSETS		248,328
NON-CURRENT ASSETS		
Plant and equipment	10	3,062
Exploration and evaluation costs	11	3,830,614
TOTAL NON-CURRENT ASSETS		3,833,676
TOTAL ASSETS		4,082,004
LIABILITIES		
CURRENT LIABILITIES		
Other payables	12	1,149,553
Provisions	12	248,000
TOTAL CURRENT LIABILITIES		1,397,553
TOTAL LIABILITIES		1,397,553
NET ASSETS		2,684,451
EQUITY		
Issued capital	13	3,098,256
Share option Reserve	14	337,066
Accumulated losses		(750,871)
TOTAL EQUITY		2,684,451

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity for the Period ended 31 December 2020

	Note	Issued Capital $	Accumulated Losses $	Reserves $	Total $
Balance at incorporation 12 August 2019		30	-	-	30
Loss for the period		-	(750,871)	-	(750,871)
Other comprehensive income for the period		-	-	-	-
Total comprehensive loss for the period		-	(750,871)	-	(750,871)
Transactions with owners, directly in equity					
Shares issued	13	3,688,800	-	-	3,688,800
Transaction costs		(590,574)	-	-	(590,574)
Share option reserve	14	-	-	337,066	337,066
Balance at 31 December 2020		3,098,256	(750,871)	337,066	2,684,451

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows for the Period ended 31 December 2020

	Note	Consolidated Group
		Period from 12 August 2019 (date of incorp) to 31 December 2020
		$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees		(352,713)
Net cash (used) by operating activities	7	(352,713)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment		(3,450)
Payment for exploration and evaluation costs		(2,050,047)
Net cash (used in) investing activities		(2,053,497)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares		2,988,830
Capital raising costs		(406,202)
Net cash provided by financing activities		2,582,628
Net increase in cash and cash equivalents		(176,418)
Cash and cash equivalents at the beginning of financial period		-
Cash and cash equivalents at the end of financial period	7	176,418

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements for the Period ended 31 December 2020

The consolidated financial statements and notes represent those of Auric Mining Limited and Controlled Entities (the Consolidated Group or Group).

The separate financial statements of the Parent Entity, Auric Mining Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial statements were authorised for issue on 18 March 2021 by the directors of the Company.

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

These general purpose consolidated financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going Concern

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

The Group successfully raised $3.69 million during the financial period with a further $7.26 million raised subsequent to period end. The directors have reviewed their cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from date of signing this report.

a. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the Parent (Auric Mining Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the Parent controls. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 9.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

Notes to the Consolidated Financial Statements for the Period ended 31 December 2020

Note 1: Summary of Significant Accounting Policies

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

b. **Income Tax**

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

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which: (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the entity in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised, unless the deferred tax asset relating to temporary differences 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 accounting profit nor taxable profit (tax loss).

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

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

Notes to the Consolidated Financial Statements for the Period ended 31 December 2020

Note 1: Summary of Significant Accounting Policies

c. **Fair Value of Assets and Liabilities**

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e., unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e., the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e., the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

d. **Plant and Equipment**

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Consolidated Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, is depreciated on a straight-line basis over the asset's useful life to the Consolidated Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for office equipment is 66.67% diminishing value.

Notes to the Consolidated Financial Statements for the Period ended 31 December 2020

Note 1: Summary of Significant Accounting Policies

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. Gains shall not be classified as revenue. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

e. **Exploration and Evaluation Costs**

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

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

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

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

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

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

f. **Financial Instruments**

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (i.e., trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial instruments are subsequently measured at:

– amortised cost; or
– fair value through profit or loss.

Notes to the Consolidated Financial Statements for the Period ended 31 December 2020

Note 1: Summary of Significant Accounting Policies

A financial liability is measured at fair value through profit and loss if the financial liability is:

– a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;

– held for trading; or

– initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

– it is incurred for the purpose of repurchasing or repaying in the near term;

– part of a portfolio where there is an actual pattern of short-term profit taking; or

– a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship are recognised in profit or loss.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

– amortised cost;

– fair value through other comprehensive income; or

– fair value through profit or loss.

Measurement is on the basis of two primary criteria:

– the contractual cash flow characteristics of the financial asset; and

– the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

– the financial asset is managed solely to collect contractual cash flows; and

– the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

– the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;

– the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

Notes to the Consolidated Financial Statements for the Period ended 31 December 2020

Note 1: Summary of Significant Accounting Policies

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

– it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;

– it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;

– it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading and not a contingent consideration recognised by an acquirer in a business combination to which AASB 3: *Business Combinations* applies, the Group made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Group's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e., when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

– the right to receive cash flows from the asset has expired or been transferred;

– all risk and rewards of ownership of the asset have been substantially transferred; and

– the Group no longer controls the asset (i.e., the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

Notes to the Consolidated Financial Statements for the Period ended 31 December 2020

Note 1: Summary of Significant Accounting Policies

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The Group recognises a loss allowance for expected credit losses on:

– financial assets that are measured at amortised cost or fair value through other comprehensive income;

– lease receivables;

– contract assets (e.g., amounts due from customers under construction contracts);

– loan commitments that are not measured at fair value through profit or loss; and

– financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

– financial assets measured at fair value through profit or loss; or

– equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the following approaches to impairment, as applicable under AASB 9: *Financial Instruments*:

– the general approach

– the simplified approach

– the purchased or originated credit-impaired approach; and

– low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the Group assesses whether the financial instruments are credit-impaired, and if:

– the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or

– there is no significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

– trade receivables or contract assets that result from transactions within the scope of AASB 15: *Revenue from Contracts with Customers* and which do not contain a significant financing component; and

– lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e., diversity of customer base, appropriate groupings of historical loss experience, etc).

Recognition of expected credit losses in financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

Notes to the Consolidated Financial Statements for the Period ended 31 December 2020

Note 1: Summary of Significant Accounting Policies

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g., loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

g. **Impairment of Non-Financial Assets**

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g., in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

h. **Employee Benefits**

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

Notes to the Consolidated Financial Statements for the Period ended 31 December 2020

Note 1: Summary of Significant Accounting Policies

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Defined contribution superannuation benefits

All employees of the Group other than those who receive defined benefit entitlements receive defined contribution superannuation entitlements, for which the Group pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Group's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Group's statement of financial position.

Termination benefits

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of:

– the date when the Group can no longer withdraw the offer for termination benefits; and

– when the Group recognises costs for restructuring pursuant to AASB 137: *Provisions, Contingent Liabilities and Contingent Assets* and the costs include termination benefits.

In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

i. **Provisions**

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

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

j. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are reported within borrowings in current liabilities on the statement of financial position.

k. **Goods and Services Tax (GST)**

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Notes to the Consolidated Financial Statements for the Period ended 31 December 2020

Note 1: Summary of Significant Accounting Policies

l. **Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements incorporated into the financial statements 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.

m. **Key judgements**

Exploration and evaluation expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at $3.8 million.

n. **Share-based payment transactions**

The consolidated entity measures the cost of equity-settled transactions 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 the Black-Scholes 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.

o. **New or amended Accounting Standards and Interpretations adopted**

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standard Board ('AASB') that are mandatory for the current reporting period. None of these Accounting Standards and Interpretation had a material effect. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2: Parent Information

The following information has been extracted from the books and records of the financial information of the Parent Entity set out below and has been prepared in accordance with Australian Accounting Standards.

Statement of Financial Position	2020
	$
ASSETS	
Current assets	201,210
Non-current assets	3,070,822
TOTAL ASSETS	3,272,032
LIABILITIES	
Current liabilities	584,024
TOTAL LIABILITIES	584,024
NET EQUITY	2,688,008
EQUITY	
Issued capital	3,098,256
Accumulated losses	(747,314)
Share option reserve	337,066
TOTAL EQUITY	2,688,008

Notes to the Consolidated Financial Statements for the Period ended 31 December 2020

Note 2: Parent Information

Statement of Profit or Loss and Other Comprehensive Income	
Total loss	(747,314)
Total comprehensive loss	(747,314)

Note 3: Tax Expense

			Consolidated Group
			Period from 12 August 2019 (date of incorp) to 31 December 2020
			$
a.	The components of tax (expense) income comprise:		
	Current tax		-
b.	The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:		
	Prima facie tax payable on profit from ordinary activities before income tax at 27.5%		(206,489)
	Add/(Less) Tax effect of:		
	Tax effect of:		
	–	non-allowable items	97,872
	–	other items	(6,124)
	–	DTA/DTL not recognised	114,741
	Income tax attributable to entity		-

The amount of deductible temporary differences and unused tax losses for which no deferred tax assets have been brought to account:

– temporary differences $79,328

– tax losses: operating losses $35,413

The benefits of the above temporary differences and unused tax losses will only be realised if the conditions for deductibility set out in Note 1(b) occurs. These amounts have no expiry date.

Notes to the Consolidated Financial Statements for the Period ended 31 December 2020

Note 4: Key Management Personnel Compensation

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) or their related parties for the period ended 31 December 2020.

The total of remuneration paid to KMP of the Company and the Group during the period are as follows:

	Consolidated Group Period from 12 August 2019 (date of incorp) to 31 December 2020 $
Short-term benefits	535,537
Post-employment benefits	1,809
Total KMP compensation	537,346

Short-term benefits

These amounts include fees and benefits paid to non-executive directors or their related parties as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

Post-employment benefits

These amounts are the current-year's estimated costs of providing for the Group's defined benefits scheme post-retirement, superannuation contributions made during the period.

Other long-term benefits

These amounts represent long service leave benefits accruing during the period and deferred bonus payments.

Note 5: Auditor's Remuneration

	Consolidated Group Period from 12 August 2019 (date of incorp) to 31 December 2020 $
Remuneration of the auditor, William Buck for:	
– auditing or reviewing the financial statements	30,000
– Accounts preparation services	2,800
– Investigating Accountants Report	11,000
	43,800

Notes to the Consolidated Financial Statements for the Period ended 31 December 2020

Note 6: Earnings per Share

	Consolidated Group
	Period from 12 August 2019 (date of incorp) to 31 December 2020
	$
Reconciliation of earnings to profit or loss:	
Loss used in the calculation of basic and diluted EPS	(750,871)
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	19,225,357
Loss per share	
Basic and diluted loss per share (cents per share)	(3.91)

Note 7: Cash and Cash Equivalents

	Consolidated Group
	31 December 2020
	$
Cash at bank and on hand	176,418

Reconciliation of cash

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	176,418

Cashflow Information:

i. **Reconciliation of cash flow from operations to (loss) after income tax**

Loss after income tax	(750,871)
Non-cash flows in (loss)/profit from ordinary activities:	
■ (Increase) in receivables and other current assets	(71,910)
■ Increase in trade and other payables	221,680
■ Depreciation	388
■ Increase in provisions	248,000
Cash flow from operations	(352,713)

Notes to the Consolidated Financial Statements for the Period ended 31 December 2020

Note 8: Other Receivables

	Note	Consolidated Group
		31 December 2020
		$
GST receivables		54,098

Credit risk

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned above.

Note 9: Interests in Subsidiaries

a. **Information about Subsidiaries**

The subsidiaries listed below have share capital consisting solely of ordinary shares which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation.

Name of Subsidiary	Principal Place of Business	Ownership Interest Held by the Group
		2020
		%
Widgie Gold Pty Ltd	Australia	100
Spargoville Minerals Pty Ltd	Australia	100
Jeffreys Find Pty Ltd	Australia	100

The Company incorporated 100% equity interests in these entities

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

Notes to the Consolidated Financial Statements for the Period ended 31 December 2020

Note 10: Plant and Equipment

	Consolidated Group 31 December 2020 $
Office equipment	
Cost	
Additions during the period	3,450
Balance as at end of period	3,450
Accumulated depreciation	
Charge during the period	(388)
Balance as at end of period	(388)
Net book value	
Balance as at end of period	3,062

Note 11: Exploration and Evaluation Costs

Opening balance	-
Additions during the period	3,830,614
Balance as at end of period	3,830,614

Recoverability of the carrying amount of exploration assets is dependent on successful exploration.

During the period, the Group acquired the following tenements:

Acquisition of Jeffreys Find Project Tenement for $550,000 cash, 3,666,667 shares issued at $0.15 per share and 1,833,333 options issued at $0.128 per option, plus stamp duty of $64,985 and royalty consideration of $150,000.

Acquisition of Spargoville Project Tenements for $11,537 cash, 600,000 shares issued at $0.25 per share and 300,000 options issued at $0.128 per option.

Acquisition of Munda Project Tenement for $1,247,000 cash, including $147,000 for cancellation of Morgan Stanley royalties, plus stamp duty of $101,380 and deferred consideration of $650,000.

The options granted as part of the acquisition of the tenements vested immediately upon granting to the sellers and therefore have been recognised in the share options reserve. Refer to Note 14.

Notes to the Consolidated Financial Statements for the Period ended 31 December 2020

Note 12: Other Payables

	Note	Consolidated Group 31 December 2020 $
Trade and other payables		279,707
Accruals		69,846
Deferred consideration – Munda Project		650,000
Royalty consideration – Jeffreys Find Project		150,000
		1,149,553
Provisions		248,000

The Group has agreed, subject to Shareholder approval (if required) at the next annual general meeting, to make a performance payment of cash and shares (the split to be agreed) of a maximum of $120,000 each to Mark English and John Utley, Directors of the Company for services rendered for the period from 1 July 2020 to the date of admission to the Official List on the ASX for services rendered in relation to the Prospectus and Offer.

Note 13: Issued Capital

	2020 Number of shares	2020 $
Fully paid ordinary shares	60,628,959	3,098,256
At incorporation	300	30
Shares issued	9,000,000	9,000
Convertible Note conversion [i]	27,750,000	111,000
Shares issued	500,000	2,000
Seed raise [ii]	1,161,991	174,300
Seed raise [iii]	17,950,001	2,692,500
Shares issued for acquisition of Jeffreys Find tenement [iv]	3,666,667	550,000
Shares issued for acquisition of Spargoville tenements [v]	600,000	150,000
		3,688,830
Less capital raising costs		(590,574)
Balance as at 31 December 2020	60,628,959	3,098,256

[i] Shares issued on conversion of debt (convertible notes payable) at conversion price of $0.004 per share, including free attaching options on a 1 for 2 basis exercisable at $0.40, expiring on 31 October 2023.

[ii] Seed capital raised for shares issued at $0.15 per share, including free attaching options on a 1 for 1 basis exercisable at $0.40, expiring on 31 October 2023.

[iii] Seed capital raised for shares issued at $0.15 per share, including free attaching options on a 1 for 2 basis exercisable at $0.40, expiring on 31 October 2023.

[iv] Acquisition of Jeffreys Find Project Tenement for $550,000 cash, 3,666,667 shares issued at $0.15 per share and 1,833,333 options issued at $0.128 per option, plus stamp duty of $64,985 and royalty consideration of $150,000.

[v] Acquisition of Spargoville Project Tenements for $11,537 cash, 600,000 shares issued at $0.25 per share and 300,000 options issued at $0.128 per option.

Notes to the Consolidated Financial Statements for the Period ended 31 December 2020

Note 13: Issued Capital

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Capital Management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital and financial liabilities, supported by financial assets.

The Group is not subject to any externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

The gearing ratios for the period ended 31 December 2020 is as follows:

	Note	Consolidated Group 31 December 2020 $
Trade and other payables	12	1,397,553
Less cash and cash equivalents	7	(176,418)
Net debt		1,221,135
Total equity		2,684,451
Total net debt and equity		1,463,316
Gearing ratio		45%

Note 14: Share Option Reserve

During the period, 26,595,349 options were granted and issued to various parties. As per Note 11, 2,133,333 options were granted as part of the acquisition of the tenements. 500,000 options were granted as part of the cost of raising capital. The remaining 23,962,016 options were granted as free attaching options as part of the raising capital. All the options were cancelled on 17 November 2020 and were re-issued on 29 January 2021. The options granted during the period ended 31 December 2020 have been brought to account in these financial statements in the share option reserve.

The 2,633,333 options issued for the acquisition of tenements or the capital raising had the following assumptions:

The options were valued by the Directors using the Black Scholes method. The assumptions used are as follows:

Stock price	$0.25	Volatility	97%
Exercise price	$0.40	Risk free rate	1.5%
Grant date	31/10/2020	Fair value per option	$0.128
Expiry date	31/10/2023		
Share option reserve			337,066

Notes to the Consolidated Financial Statements for the Period ended 31 December 2020

Note 15: Commitments

Tenement commitments: 0-1 year	74,000
Tenement commitments: 1-5 years	343,000
Tenement commitments: 5 years plus	104,000
	521,000

In order to maintain current rights of tenure to mining tenements in Australia, the Group has the above exploration expenditure requirements. If the Group decides to relinquish certain leases and/or does not meet these obligations, exploration and evaluation assets recognised in the consolidated statement of financial position may require review to determine appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

Note 16: Contingent Liabilities and Contingent Assets

As part of the terms and conditions of the acquisition of Spargoville Project, the Group has contingent liabilities amounting to $150,000 worth of Shares to be issued, subject to performance milestones being achieved, at a deemed issue price per share equal to the VWAP of shares calculated over the 5 trading days immediately preceding the date of issue of the shares.

As part of the acquisition of the Spargoville Project, the Group has taken on the obligation to Breakaway Resources Pty Ltd to a 1.5% net smelter royalty in respect of production from the Tenements.

The Company has entered into a mandate letter with Conrad Capital Group Pty Ltd and related entities to complete a capital raising and IPO for the Company. The amounts to be paid upon a successful capital raising and IPO is 6% commission of money raised plus certain out of pocket expenses. In addition, the company will issue 2,500,000 31 October 2023 options exercisable at $0.40 per option for nil consideration. The IPO closed on the 27 January 2021 and the company listed on the ASX on the 12 February 2021. Accordingly, the remuneration has been paid and the options issued in February 2021.

The Group has entered into a sublease arrangement with Danpalo Group Pty Ltd for the use of office facilities and related costs at $1,500 per month (excluding GST). The sublease is for the period 1 January 2021 to 31 October 2022.

Note 17: Operating Segments

For management's purposes, the Group is organised into one main operating segment, which involves the exploration and development of minerals in Australia. All of the Group's activities are interrelated, and discrete financial information is reported to the Board as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

Note 18: Events after the Reporting Period

Other than the following, the directors are not aware of any significant events since the end of the reporting period:

The Company closed the IPO and Prospectus on 27 January 2021 and successfully listed on the Australian Securities Exchange (ASX) on 12 February 2021 following the capital raising of $7.26 million by the issuance of 29,025,667 shares at $0.25 per share and 43,908,175 quoted options exercisable at $0.40 per option expiring 31 October 2023 for nil consideration.

Note 19: Related Party Transactions

a. **Related parties**

The Group's main related parties are related to Key Management Personnel, identified as follows:
Steven Morris
Mark English
John Utley
Stephen Strubel

b. **Transactions with related parties**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. All transactions with key management personnel have been disclosed in the Remuneration Report.

Notes to the Consolidated Financial Statements for the Period ended 31 December 2020

Note 19: Related Party Transactions

		Consolidated Group 31 December 2020 $
c.	**Amounts paid/payable to related parties**	
	LBL (WA) Pty Ltd, entity related to Mark English for services rendered	60,000
	140 Holdings Pty Ltd, entity related to Mark English for services rendered	55,000
	Teralba Nominees VIC Pty Ltd, entity related to Stephen Strubel for services rendered	16,500
	Targo Holdings Pty Ltd, entity related to Steven Morris for services rendered	18,500

Note 20: Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

		Note	Consolidated Group 31 December 2020 $
Financial assets			
Financial assets at amortised cost			
–	cash and cash equivalents	7	176,418
–	other receivables	8	54,098
Total financial assets			230,516
Financial liabilities			
Financial liabilities at amortised cost:			
–	other payables	12	1,397,553
Total financial liabilities			1,397,553

Financial Risk Management Policies

The Board monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, foreign currency risk, liquidity risk and interest rate risk.

The overall risk management strategy seeks to assist the Consolidated Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of credit risk policies and future cash flow requirements.

Notes to the Consolidated Financial Statements for the Period ended 31 December 2020

Note 20: Financial Risk Management

Specific financial risk exposures and management

The main risks the Group is exposed to through its financial instruments are credit risk and liquidity risk. There are no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks.

a. **Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Due to the current nature of the Group, being an exploration entity, the Group is not exposed to material credit risk.

b. **Liquidity risk**

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

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 Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Typically, the Group ensures that it has sufficient cash to meet expected operational expenses for a period of 60 days. The financial liabilities of the Group include trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 30 days of the reporting date.

The following table reflects an undiscounted contractual maturity analysis for financial assets and financial liabilities.

Financial liability and financial asset maturity analysis

Consolidated Group	Within 1 Year	1 to 5 Years	Total
	2020	2020	2020
	$	$	$
Financial liabilities due for payment			
Other payables	(1,397,553)	-	(1,397,553)
Total expected outflows	(1,397,553)	-	(1,397,553)
Financial assets – cash flows realisable			
Cash and cash equivalents	176,418		176,418
Other receivables	54,098	-	54,098
Total anticipated inflows	230,516	-	230,516
Net (outflow) on financial instruments	(1,167,037)	-	(1,167,037)

The above liquidity risk shortfall has been eliminated by the IPO and capital raising of $7.26 million.

Fair value estimation

The fair values of financial assets and financial liabilities are presented above and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial instruments whose carrying value is equivalent to fair value due to their nature include:

- Cash and cash equivalents;
- Other receivables; and
- Other payables

Notes to the Consolidated Financial Statements for the Period ended 31 December 2020

Note 21: Company Details

The registered office and principal place of business of the Company is:

Auric Mining Limited
Suite 1, 1 Tully Road
East Perth WA 6004

Directors' Declaration

In the directors' opinion:

1. the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

2. the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

3. the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the financial period ended on that date; and

4. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

On behalf of the directors.

Director ....

18th March 2021
Perth, WA
M A English
Managing Director

William Buck

Auric Mining Limited

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Auric Mining Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

i. giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the period ended on that date; and
ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

ACCOUNTANTS & ADVISORS
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VALUATION OF CAPITALISED EXPLORATION COSTS	
Area of focus **Refer also to notes 1 and 11**	**How our audit addressed it**
The Group has incurred exploration and evaluation costs for exploration projects in Australia. There is a risk that the Group may lose or relinquish its rights to explore and evaluate those areas of interest and therefore amounts capitalised to the statement of financial position from the current and historical periods be no longer recoverable. During the peroid no impairment charge was recognised in relation to exploration expenditure.	Our audit procedures included the following: — Understanding and vouching the underlying contractual entitlement to explore and evaluate each area of interest, including an evaluation of the Group's purchase in that area of interest at its expiry; — Examining project spend per each area of interest and comparing this spend to the minimum expenditure requirements set out in the underlying exploration expenditure plan; — Examining project spend to each area of interest to ensure that it is directly attributable to that area of interest; and — From an overall perspective, comparing the market capitalisation of the Group to the net carrying value of its assets on the statement of financial position to identify any other additional indicators of impairment. We also assessed the adequacy of the Group's disclosures in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the period ended 31 December 2020, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 8 of the directors' report for the period ended 31 December 2020.

In our opinion, the Remuneration Report of Auric Mining Limited, for the period ended 31 December 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN: 59 116 151 136

J.C. Luckins
Director

Melbourne, 18th March 2021

ASX Additional Information

The following information is current as at 28 February 2021:

1. **Shareholding**

a. **Distribution of Shareholders**

Category (size of holding):	Total Holders	Number Units	% Units
1-1,000	2	116	0.00
1,001-5,000	26	79,167	0.09
5,001-10,000	161	1,352,242	1.51
10,001-100,000	345	15,932,579	17.77
100,001 and over	122	72,290,530	80.63
	656	**89,654,634**	**100.00**

b. The number of shareholdings holding less than marketable parcels is 2.

c. The names of the substantial shareholders listed in the Company's register are:

Shareholder:	Number Ordinary	Voting %
R J & A Investments Pty Ltd <Muller Morvan Family A/C>	7,000,000	7.81
Elizabeth Saunders, Mark English & Associated Entities	6,531,767	7.29
Anamorph Pty Ltd <Utley Family Trust>	6,420,000	7.16
Thomas Fairchild & Fairchild Capital Australia Pty Ltd	6,191,767	6.91
Stephen Strubel & Associated Entities	6,165,100	6.88
Steven Morris & Associated Entities	6,125,000	6.83

d. **Voting Rights**

Voting rights attached to each class of equity security are as follows.

Ordinary shares

Each ordinary share is entitled to one vote when a poll is called; otherwise, each member present at a meeting or by proxy has one vote on a show of hands.

e. **20 Largest Shareholders – Ordinary Shares**

	Name	Number of Ordinary Fully Paid Shares Held	% Held Issued Ordinary Capital
1.	R J & A Investments Pty Ltd	7,200,000	8.03
2.	Anamorph Pty Ltd <Utley Family A/C>	6,420,000	7.16
3.	Fairchild Capital Australia Pty Ltd	6,125,100	6.83
4.	SRS HGS Pty Ltd <SRS Family A/C>	5,125,100	5.72
5.	13 Nominees Pty Ltd <MEES Super Fund>	4,811,667	5.37
6.	Mincor Resources NL	3,666,667	4.09
7.	CS Third Nominees Pty Ltd <HSBC Cust Nom AU Ltd 13 A/C>	3,088,601	3.44
8.	Mr Steven John Morris + Ms Nicole Leanne Morris <Morris Family Super Fund A/C>	2,312,500	2.58
9.	Targo Holdings Pty Ltd	2,312,500	2.58
10.	140 Holdings Pty Ltd <The Hackney Trust>	1,720,100	1.92
11.	Mr Steven John Morris	1,500,000	1.67
12.	Mr Stephen Strubel + Mr Brian Strubel <Strubel Family S/F A/C)	1,040,000	1.16
13.	Three Zebras Pty Ltd <Judd Family A/C>	799,999	0.89
14.	Lytton Nominees Pty Ltd <Lytton Super Fund A/C>	666,667	0.74
15.	Greenback Global Pty Ltd <GBG Fund A/C>	666,667	0.74
16.	Quest Traders Pty Ltd	663,999	0.74
17.	Kembla No 20 Pty Ltd <CAA A/C>	620,000	0.69
18.	Mariner Mining Pty Ltd <The Mariner Family A/C>	600,000	0.67
19.	Yucaja Pty Ltd <The Yoegiar Family A/C>	596,787	0.67
20.	Three Zebras Pty Ltd <Judd Family A/C>	533,334	0.59
		50,469,687	**56.29**

2. **Options**

a. **Distribution of Option holders**

Category (size of holding):	Total Holders	Number Units	% Units
1-1,000	0	0	0.00
1,001-5,000	143	614,000	1.40
5,001-10,000	97	879,338	2.00
10,001-100,000	245	11,639,905	26.51
100,001 and over	57	30,774,932	70.09
	542	**43,908,175**	**100.00**

e. **20 Largest Option holders**

	Name	Units	% Units
1.	R J & A Investments Pty Ltd	2,916,666	6.64
2.	Anamorph Pty Ltd <Utley Family A/C>	2,527,500	5.76
3.	Conrad Capital Investments Pty Ltd <Conrad Investments Unit A/C>	2,500,000	5.69
4.	13 Nominees Pty Ltd <MEES Super Fund>	2,405,834	5.48
5.	Fairchild Capital Australia Pty Ltd	2,312,500	5.27
6.	Mincor Resources NL	1,833,333	4.18
7.	SRS HGS Pty Ltd <SRS Family A/C>	1,812,500	4.13
8.	CS Third Nominees Pty Ltd <HSBC Cust Nom AU Ltd 13 A/C>	1,542,450	3.51
9.	Mr Steven John Morris + Ms Nicole Leanne Morris <Morris Family Super Fund A/C>	1,156,250	2.63
10.	Targo Holdings Pty Ltd	1,156,250	2.63
11.	Three Zebras Pty Ltd <Judd Family A/C>	666,667	1.52
12.	Conrad Capital Group Pty Ltd	520,000	1.18
13.	Three Zebras Pty Ltd <Judd Family A/C>	500,000	1.14
14.	MD Akram Uddin	480,156	1.09
15.	Whimplecreek Pty Ltd <Stawell Family A/C>	383,333	0.87
16.	Lytton Nominees Pty Ltd <Lytton Super Fund A/C>	333,334	0.76
17.	Mr Peter Raftopoulos	333,334	0.76
18.	Greenback Global Pty Ltd <GBG Fund A/C>	333,333	0.76
19.	Mr Gunther Grobler	325,000	0.74
20.	Bergen Global Opportunity Fund LP	300,000	0.68
		24,338,440	**55.42**

3. The name of the Company Secretary is Stephen R Strubel.

4. The address of the principal registered office in Australia is Suite 1, 1 Tully Road, East Perth WA 6004

5. Registers of securities are held at the following addresses:

   Western Australia: Computershare, 172 St Georges Terrace, Perth, WA 6000

6. **Stock Exchange Listing**

   Quotation has been granted for 40,492,838 ordinary shares and 14,512,827 options of the Company on all Member Exchanges of the Australian Securities Exchange Limited

7. **Unquoted Securities**

   Shares in Escrow
   A total of 49,161,796 shares on issue that are not quoted.

   Options over unissued shares
   A total of 29,395,348 options on issue that are not quoted.