

Monger Gold Limited
ABN 20 644 564 241

Financial Statements
FOR THE PERIOD ENDED 31 DECEMBER 2020

MONGER GOLD LIMITED

ABN 20 644 564 241

31 DECEMBER 2020

CORPORATE DIRECTORY

DIRECTORS

Mr. Peretz Schapiro – Non-Executive Chairman

Mr. Romy Hersham – Non-Executive Director

Mr. Andrew Graham – Non-Executive Director

COMPANY SECRETARY

Mr. Matthew Foy

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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Caulfield North VIC 3161

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SHARE REGISTRY

Automic Registry Services
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AUDITORS

BDO Audit Pty Ltd

Level 18, 727 Collins Street

Melbourne VIC 3008

MONGER GOLD LIMITED
ABN 20 644 564 241
31 DECEMBER 2020

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DIRECTORS' REPORT

The Directors of Monger Gold Limited (the **Company**) submit the financial report of the Company for the period ended 31 December 2020 (**Period**), which comprises the results of Monger Gold Limited and the entities it controlled during the Period.

Review of Operations

The Company was incorporated on 23 September 2020 for the purposes of farming into the Mt Monger and Gibraltar exploration assets currently held by Torian Resources Limited (**Torian**) with a view to undertaking an Initial Public Offer (**IPO**) to list on the Australian Securities during the first half of 2021. The Company is in advanced discussion with the ASX and other regulatory bodies to move ahead with the proposed IPO.

As part of this spin-off it is proposed that Torian will hold a direct interest in the Company of 10% in addition to a 20% free carry of the respective projects until the BFS stage. At this point Torian can elect to contribute to retain its share of the projects or convert to a royalty. It is also proposed that Torian shareholders will be given priority access to the IPO of Monger Gold Ltd.

The Mount Monger Project currently owned by Torian, with the Company to farm into the projects, is comprised of two distinct areas, the Wombola Block and the Mount Dam Block (Figures 1 and 2). The Mount Dam area is located approximately 11km to the southeast of the Wombola area. Figure 1 shows Torian's Mount Monger tenement outlines with major regional mines and gold resources. Figure 2 shows Torian's Mount Monger tenement outlines and current gold prospects (blue labelled boxes) with major mines and gold resources owned and developed by Silver Lake Resources Limited's Mount Monger Project – Daisy Complex (red dots with SLR's mine/resource name and current JORC compliant resource in kilo-ounces or million-ounces gold).

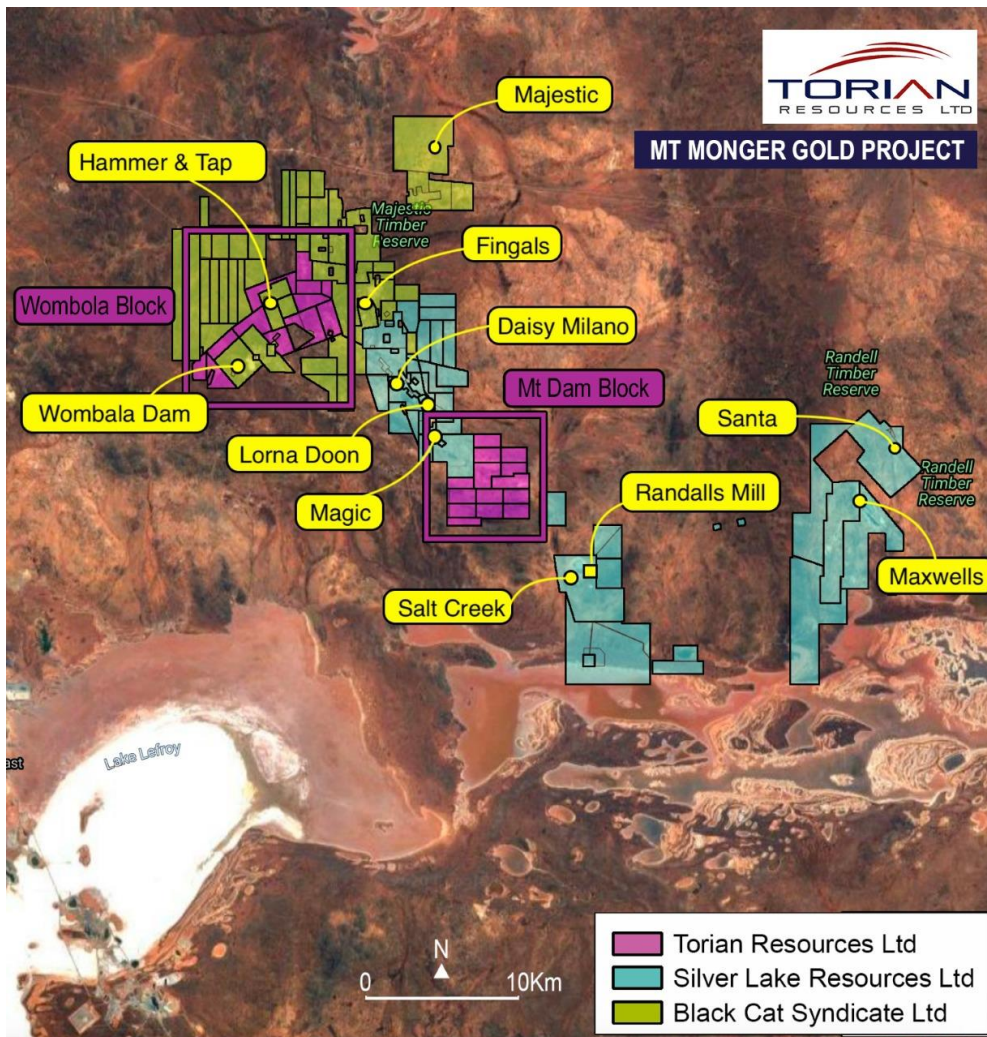


Figure 1. A regional map of the Mt Monger Gold Project tenements showing the Wombola Block and Mt Dam Block and the surrounding Silver Lake Resources (ASX:SLR) and Black Cat Syndicate (ASX:BC8) tenements.

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DIRECTORS' REPORT

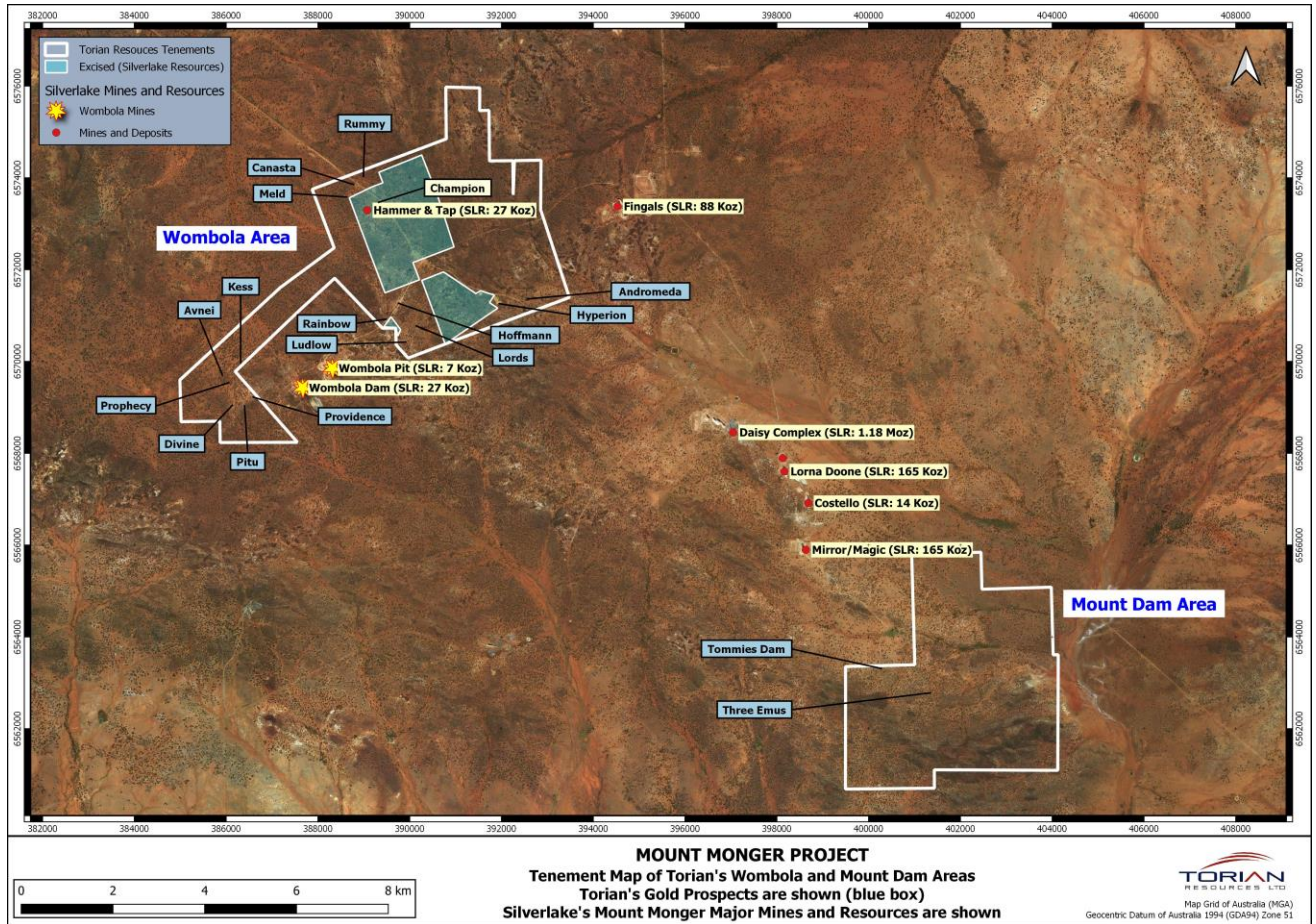


Figure 2. Torian's Mount Monger tenement outlines and current gold prospects (blue labelled boxes) and major mines and gold resources (Silver Lake Resources).

Corporate

Information on Directors

Peretz Schapiro

Mr Peretz Schapiro has a proven track record of developing and growing successful B2B SaaS platforms and consulting services, built on strong partnerships with some of Australia's most reputable institutions. Mr Schapiro is the Managing Director of Charidy.com, Australia's premier crowdfunding platform and fundraising and marketing consultancy, raising over \$100,000,000 in the last two years alone.

Mr Schapiro has been a global investor for almost a decade and understands the fundamental parameters, strategic drivers, market requirements and what it takes for a high growth business. Mr Schapiro has a professional background in management consulting, marketing, and fundraising. Mr Schapiro holds a Masters degree in Applied Finance.

Mr Schapiro is currently an Executive Director of Torian Resources Limited (ASX: TNR).

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DIRECTORS' REPORT

Andrew Graham, Non-Executive Director

Mr Andrew Graham has 30 years of technical, operational and managerial experience in the resources sector with both private and public companies in Australia and overseas. Mr Graham has founded multiple companies in the mining, mineral processing, consulting and environmental sectors and has a passion for business building through strong leadership, technical excellence and strategic focus.

Mr Graham has built a global network of investors, innovators and technical and commercial specialists. Mr Graham has been involved in raising hundreds of millions of investment capital, building large teams of specialists and developing numerous projects from greenfields exploration to operating mines. Mr Graham has qualifications in Applied Geology, Economic Geology, Management, Training and Quarry Management and is a member of the Australasian Institute of Mining and Metallurgy and the Institute of Quarrying.

Mr Graham is currently the CEO and Executive Director of Cohiba Minerals Ltd (ASX: CHK).

Romy Hershman, Non-Executive Director

Mr Romy Hershman has worked in the mining exploration sector since the beginning of 2017. As Company Secretary for Nova Minerals Ltd (ASX:NVA) and Cohiba Minerals Ltd (ASX:CHK), Mr Hershman has gained extensive experience in developing exploration projects, improving internal processes and shareholder communication.

Mr Hershman has recently completed a double degree in Law and Arts at Monash University.

Mr Hershman is currently the Company Secretary for Nova Minerals Ltd (ASX:NVA).

Board Meetings

No formal board meetings were held during the Period.

Board & Management Changes

During the Period the following Board and management changes occurred:

- Mr Peretz Schapiro was appointed Non-Executive Chairman on 23 September 2020;
- Mr Andrew Graham was appointed Non-Executive Director on 19 October 2020; and
- Mr Romy Hershman was appointed Non-Executive Director on 1 December 2020;
- Mr Paul Summers was appointed as Non-Executive Director on 23 September 2020 and resigned on 19 October 2020;
- Mr Louie Simens was appointed as Non-Executive Director on 13 October 2020 and resigned 1 December 2020;
- Mr Michael Melamed was appointed as Non-Executive Director on 23 September 2020 and resigned on 13 October 2020.

Principal Activities

The principal activities of the Group during the course of the financial year were the exploration and evaluation of mineral interests. There were no significant changes in the nature of those activities during the financial Period.

Results of Operations

The consolidated loss for the Company for the period ended 31 December 2020 is \$75,577.

Dividends

The Directors do not recommend dividends be paid for the period ended 31 December 2020.

Significant Changes in the State of Affairs

There were no significant changes to the Group's state of affairs.

Likely Developments and Expected Results of Operations

The Group is currently active in continuing its exploration activities and assessing the results of its recent exploration. Likely developments and expected results will be announced to the market as they emerge.

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DIRECTORS' REPORT

Matters Subsequent to the Reporting Date

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Subsequent to the year end the Company continued with its due diligence process for its proposed lodgement of a prospectus to list on the ASX.

No other significant subsequent event has arisen that significantly affects the operations of the Group.

Directors

The following persons held office as directors of Monger Gold Limited at any time during or since the period ended 31 December 2020:

Mr Peretz Schapiro (appointed 23 September 2020)
Mr Andrew Graham (appointed 19 October 2020)
Mr Romy Hershman (appointed 1 December 2020)
Mr Paul Summers (appointed 23 September 2020, resigned 19 October March 2020)
Mr Louie Simens (appointed 13 October 2020, resigned 1 December 2020)
Mr Michael Melamed (appointed 23 September 2020, resigned 13 October 2020)

COMPANY SECRETARY

Mr. Matthew Foy (appointed 23 September 2020)

Mr Foy is a contract Company Secretary and active member of the WA State Governance Council of the Governance Institute Australia (GIA). He spent four years at the ASX facilitating the listing and compliance of companies and possesses core competencies in publicly listed company secretarial, operational and governance disciplines. His working knowledge of ASIC and ASX reporting and document drafting skills ensure a valued contribution to Torian.

Shares Under Option

At the date of this report no convertible securities were on issue or had been issued during the Period.

Shares Issued on the Exercise of Options

No shares were issued during the financial period ended 31 December 2020 on the exercise of options.

Environmental Regulations

The Group's operations are subject to normal Government Environmental Regulations. There were no breaches of these regulations during the financial year and up to the date of this report.

Insurance of Directors and Officers

The Company is yet to enter into an agreement to insure the Directors and officers of the Company. It is the intention of the Directors to implement appropriate levels of insurance prior to the lodgement of an IPO prospectus with ASIC.

Indemnification

The Company has agreed to indemnify and keep indemnified the Directors against any liability:

- a) incurred in connection with or as a consequence of the director or officer acting in the capacity including, without limiting the foregoing, representing the Company on anybody corporate; and
- b) for legal costs incurred in defending an action in connection with or as a consequence of the Director or officer acting in the capacity.

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DIRECTORS' REPORT

The indemnity only applies to the extent of the amount that the Directors are not indemnified under any other indemnity, including an indemnity contained in any insurance policy taken out by the Company, under the general law or otherwise.

The indemnity does not extend to any liability:

- to the Company or a related body corporate of the Company;
- arising out of conduct of the Directors or officers involving a lack of good faith; or
- which is in respect of any negligence, default, breach of duty or breach of trust of which the directors or officers may be guilty in relation to the Company or related body corporate.

No liability has arisen under these indemnities as at the date of this report.

Proceedings on Behalf of the Company

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

The Company was not party to any such proceedings during the year.

Declaration by Director

Before it approved the Company's financial statements for the period ended 31 December 2020, the Board was satisfied that the financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company, and their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Non-audit Services

The Directors received the Lead Auditor's Independence Declaration under s.307 of the Corporations Act 2001, which is set out on page 9. The external auditor did not provide any non-audit services to the Company during the period ended 31 December 2020.

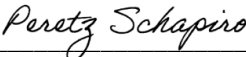
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DIRECTORS' REPORT

Auditor's independence declaration

A Copy of the auditor's independence declaration as required under section 307C of the Corporations Act is set out immediately after the remunerations report.

This report is made in accordance with a resolution of the Board of Directors, pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the directors


Peretz Schapiro
Non-Executive Chairman
25 March 2021



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Australia

DECLARATION OF INDEPENDENCE BY JAMES MOONEY TO THE DIRECTORS OF MONGER GOLD LIMITED

As lead auditor of Monger Gold Limited for the period ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'J Mooney', written in a cursive style.

James Mooney
Director

Melbourne, 25 March 2021

MONGER GOLD LIMITED
ABN 20 644 564 241

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR PERIOD ENDED 31 DECEMBER 2020

		23 Sept to 31 Dec 2020
		\$
	Note	
Administration expenditure		(1,885)
Geologist services		(17,196)
Finance Expense		(925)
Auditors Remuneration		(10,000)
Legal Fees		<u>(45,571)</u>
Loss before income tax expense		(75,577)
Income tax	2	<u>-</u>
Loss after income tax for period		<u><u>(75,577)</u></u>
Other comprehensive income		<u>-</u>
Total comprehensive income for the period		<u><u>(75,577)</u></u>

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

MONGER GOLD LIMITED
ABN 20 644 564 241

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 \$
ASSETS		
CURRENT ASSETS		
Goods & Service Tax Receivable		6,335
TOTAL CURRENT ASSETS		<u>6,335</u>
TOTAL ASSETS		<u>6,335</u>
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables		55,126
Borrowings	4	<u>26,785</u>
TOTAL CURRENT LIABILITIES		<u>81,911</u>
TOTAL LIABILITIES		<u>81,911</u>
NET LIABILITY		<u><u>(75,576)</u></u>
EQUITY		
Issued capital		1
Accumulated losses		<u>(75,577)</u>
TOTAL DEFECIT		<u><u>(75,576)</u></u>

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

MONGER GOLD LIMITED
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR PERIOD ENDED 31 DECEMBER 2020

	Note	Shares on Issue \$	Accumulated Losses \$	Total \$
Shares issued on incorporation	5	1	-	-
Loss for the period		-	(75,577)	(75,577)
Other comprehensive income for the period		-	-	-
Total comprehensive income for the period		-	(75,577)	(75,577)
Transaction with owners in their capacity as owners				
Contributions of equity, net of transaction cost		-	-	-
Balance at 31 December 2020		1	(75,577)	(75,576)

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

MONGER GOLD LIMITED
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2020

	2020 \$
Cash flows from operating activities	
Net cash used in operating activities	_____ -
Cash flows from investing activities	
Net cash used in investing activities	_____ -
Cash flows from financing activities	
Net cash from financing activities	_____ -
Net increase in cash and cash equivalents	_____ -
Cash and cash equivalents at the beginning of the period	_____ -
Cash and cash equivalents at the end of the period	_____ -

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

MONGER GOLD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are presented in Australian dollars, which is Monger Gold Limited's functional and presentation currency

The financial statements were authorised for issue on 25 March 2021 by the directors of the company.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Going Concern

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

For the period ended 31 December 2020, the group incurred a net loss after tax of \$75,577. As at that date the company has net current liabilities of \$75,576. The ability to continue as a going concern is dependent on a number of factors, the most significant of which is obtaining additional funding to complete the Initial Public Offering.

These factors indicate a material uncertainty which may cast significant doubt as to whether the group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The directors have reviewed the group's overall position and outlook in respect of the matters identified above and are of the opinion that the use of the going concern basis is appropriate in the circumstances for the following reasons:

- Torian Resources Limited the parent entity of the Company has provided a letter of support to ensure that Monger Gold Limited maintains capital and liquidity levels to enable the business to be conducted as a going concern and to satisfy its debts and obligations for at least 12 months.
- The Company is in advanced discussion with the ASX and other regulatory bodies to move ahead with the proposed IPO.

Accordingly, the Directors believe that the company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

Should the group not be able to continue as a going concern, it may be required to release its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the group does not continue as a going concern

MONGER GOLD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT')

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 7.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Monger Gold Limited ('company' or 'parent entity') as at 31 December 2020 and the results of all subsidiaries for the year then ended. Monger Gold Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Income Tax

The charge for current income tax expense is based on the results for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

MONGER GOLD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT')

Trade and Other Payables

Liabilities for creditors and other amounts are carried at amortised cost, which is the present value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company. The carrying period is dictated by market conditions but is generally less than 30 days.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Goods and Services Tax (GST)

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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows. There is provision made in the Statement of Cash Flows to disclose the applicable GST refunds/payments that have been remitted to the ATO to accurately show the cash position of Monger Gold Limited.

MONGER GOLD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

NOTE 2 : INCOME TAX

	2020
	\$
The components of tax expense comprise:	
Current tax	-
Deferred tax	-
Total	<u>-</u>
Prima facie tax benefit on loss from ordinary activities before income tax at 27.5%	(20,783)
Add tax effect of:	
— Other non-allowable items	-
Subtotal	<u>(20,783)</u>
Less tax effect of:	
— Items not assessable for taxation	-
— Items deductible for taxation but not accounting	-
Deferred tax assets not brought to account:	<u>20,783</u>
Income tax	<u><u>-</u></u>

NOTE 3 : AUDITOR REMUNERATION

	2020
	\$
Amounts, paid or due payable to BDO Audit Pty Ltd for:	
— Audit of the financial report	<u>10,000</u>
Total:	<u><u>10,000</u></u>

NOTE 4 : BORROWINGS

	2020
	\$
CURRENT	
Loan from Torian Resources Ltd	25,860
Interest accrued on Loan	<u>925</u>
Total	<u><u>26,785</u></u>

This loan is to be paid back only when the Company Lists on the ASX, it is unsecured and it accrues interest at a fixed 12% per annum.

MONGER GOLD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

NOTE 5 : ISSUED CAPITAL

	2020	\$
	Number of Shares	
Ordinary shares		
<i>Fully Paid</i>		
Balance at beginning of period	-	-
Shares issued during the period	1	1
Balance at end of period	1	1

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

NOTE 6 : RELATED PARTY DISCLOSURES

Parent entity

Torian Resources Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 8.

Loans to/from related parties

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

Key management personnel

There is no key management personnel remuneration for the period ended 31 December 2020.

Transactions with related parties

The following transactions occurred with related parties:

Loans from related parties:	2020	
	\$	
— Torian Resources Limited		25,860

The loan is to be paid repaid upon the proposed listing on the ASX, the loan is unsecured and it accrues interest at a fixed 12% per annum.

Terms and conditions

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

MONGER GOLD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

NOTE 7: PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2020 \$
Loss after income tax	(75,577)
Total comprehensive income	(75,577)

Statement of financial position

	Parent 2020 \$
Total current assets	6,335
Total assets	6,335
Total current liabilities	81,911
Total liabilities	81,911
Equity	
Issued capital	1
Accumulated losses	(75,577)
Total Deficit	(75,576)

NOTE 8 : INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

		Ownership interest 2020
Name	Principal place of business / Country of incorporation	%
Mt Monger Projects Pty Ltd	Australia	100.00%

MONGER GOLD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

NOTE 9 : FINANCIAL INSTRUMENTS

General Objectives, Policies and Processes

The Group is exposed to interest rate risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Groups' exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Groups' risk management objectives and policies. The Group's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of objectives where such impacts may be material. The Board periodically reviews the effectiveness of the process put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible. Further details regarding these policies are set out below:

Liquidity Risk

Liquidity risk is the risk that the entity may encounter difficulties raising funds to meet commitments associated with financial instruments due to creditors. The entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained. The entity's operations require it to raise capital on an on-going basis to fund its planned exploration program and to commercialise its tenement assets.

Remaining contractual maturities

The following tables detail the group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position..

Maturity Analysis of Financial Liabilities

	Weighted Average Interest Rate %	Carrying Amount \$	Contractual Cash Flows \$	< 6 Months \$
2020				
CURRENT LIABILITIES				
Trade and other payables	-	55,126	55,126	55,126
Borrowing	12%	26,785	26,785	26,785

MONGER GOLD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

NOTE 9 : FINANCIAL INSTRUMENTS (CONT.)

Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors or counterparties to derivative contracts fail to settle their obligations owing to the Group. The entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity.

Interest rate risk

The entity has fixed rate related party borrowings and is not exposed to any significant interest rate risk.

Foreign currency risk

The entity undertakes no transactions denominated in foreign currency and is not exposed to foreign currency risk.

Price risk

The entity undertakes no income generating activities and is not exposed to any significant price risk.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

NOTE 10 : EVENTS AFTER THE BALANCE SHEET DATE

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other significant subsequent event has arisen that significantly affects the operations of the company

NOTE 11 : CONTINGENT ASSETS AND LIABILITIES

There are no contingent liabilities or contingent assets at 31 December 2020.

Note 12 : COMMITMENTS

There are no commitments at 31 December 2020.

Note 13 : COMPANY DETAILS

The **registered office** of the Company is:

Monger Gold Limited
204 Balaclava Road
Caulfield North VIC 3161

The **principal place of business** is:

Monger Gold Limited
204 Balaclava Road
Caulfield North VIC 3161

MONGER GOLD LIMITED

ABN 72 002 261 565

31 DECEMBER 2020

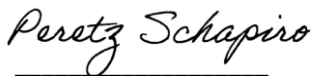
DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 10 to 21 and:
 - a. comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements
 - b. give a true and fair view of the financial position as at 31 December 2020 and of the performance for the period ended on that date of the consolidated entity
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. in the Director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Peretz Shapiro
Non-executive Director

Melbourne, 25 March 2021

INDEPENDENT AUDITOR'S REPORT

To the members of Monger Gold Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Monger Gold 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 profit or loss and other 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 report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of Monger Gold Limited, 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 *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.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' Report, but does not include the financial report and our auditor's report thereon.



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

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

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'James Mooney', written over a faint BDO logo.

James Mooney
Director

Melbourne, 25 March 2021