

Pro forma statement of financial position

The table below reflects the Company's pro forma statement of financial position based on the actual amount of funds raised under the Prospectus (\$5,000,000).

Table 1 - Pro forma statement of financial position

	Note	Monger Gold Audited 31-Dec-20 \$	Pro forma adjustments Unaudited 31-Dec-20 \$	Pro forma Unaudited 31-Dec-20 \$
Assets				
Current assets				
Cash and cash equivalents	5.8(a)	-	4,413,215	4,413,215
Other		6,335	-	6,335
Total current assets		6,335	4,413,215	4,419,550
Non-current assets				
Exploration and evaluation	5.8(b)	-	876,000	876,000
Total non-current assets		-	876,000	876,000
Total assets		6,335	5,289,215	5,295,550
Liabilities				
Current liabilities				
Trade and other payables		55,126	-	55,126
Borrowings	5.8(c)	26,785	(26,785)	-
Total current liabilities		81,911	(26,785)	55,126
Total liabilities		81,911	(26,785)	55,126
Net assets/(liabilities)		(75,576)	5,316,000	5,240,424
Equity				
Issued capital	5.8(d)	1	4,197,857	4,197,858
Reserves	5.8(e)	-	1,683,600	1,683,600
Accumulated losses	5.8(f)	(75,577)	(565,457)	(641,034)
Total equity		(75,576)	5,316,000	5,240,424

The notes for Table 1 are set out below.

The Pro Forma Statement of Financial Position has been derived from the audited historical statement of financial position as at 31 December 2020, after reflecting the Directors' pro forma adjustments for the following transactions which are proposed to occur following completion of the Offer, as if they had occurred at 31 December 2020:

5.6(a) - The issue of 25,000,000 fully paid ordinary shares in the Company at \$0.20 each, to raise \$5,000,000 before costs pursuant to the Offer;

5.6(b) - The payment of cash costs related to the Offer estimated to be \$560,000;

5.6(c) - The cash repayment of the Loan from Torian, the balance of which stood at \$26,785 as at 31 December 2020;

5.6(d) - The consideration paid to Torian for an 80% interest in the acquired tenements, comprising the issue of 3,000,000 fully paid ordinary shares in the Company at \$0.20 each and the issue

of 3,000,000 unlisted options in the Company with a \$0.30 exercise price and 3 year expiry period;

5.6(e) - The issue of 5,000,000 unlisted options to the Lead Manager for its role in connection with Offer. These options have a \$0.30 exercise price and 3 year expiry period;

5.6(f) - The issue of 5,000,000 unlisted options to third parties who assist in procuring successful acceptances under the Offer. These options have a \$0.30 exercise price and 3 year expiry period; and

5.6(g) - The issue of 5,300,000 unlisted options to directors, officers and consultants of the Company. These options have a \$0.30 exercise price and 3 year expiry period.

Notes to Table 1

Note 5.8(a) - Cash and cash equivalents

Note	Audited 31-Dec-20 \$	Pro forma Unaudited 31-Dec-20 \$
Cash and cash equivalents	-	4,413,215
Monger Gold cash and cash equivalents as at 31 December 2020		-
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>		
Proceeds from the Offer pursuant to the Prospectus	5.6(a)	5,000,000
Capital raising costs	5.6(b)	(560,000)
Repayment of Torian Resources loan	5.6(c)	(26,785)
		<u>4,413,215</u>
Pro forma cash and cash equivalents		<u>4,413,215</u>

Note 5.8(b) - Exploration and evaluation

Note	Audited 31-Dec-20 \$	Pro forma Unaudited 31-Dec-20 \$
Exploration and evaluation	-	876,000
Monger Gold exploration and evaluation as at 31 December 2020		-
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>		
Acquisition of project tenements - issue of Shares	5.6(d)	600,000
Acquisition of project tenements - issue of Options	5.6(d)	276,000
		<u>876,000</u>
Pro forma exploration and evaluation		<u>876,000</u>

Note 5.8(c) - Borrowings

	Note	Audited 31-Dec-20 \$	Pro forma Unaudited 31-Dec-20 \$
Borrowings		26,785	-
Monger Gold borrowings as at 31 December 2020			26,785
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>			
Repayment of Torian Resources loan	5.6(c)		(26,785)
			(26,785)
Pro forma borrowings			-

Note 5.8(d) - Issued capital

		Pro forma Unaudited 31-Dec-20 No. of Shares	Pro forma Unaudited 31-Dec-20 \$
Issued share capital as at 31 December 2020		28,000,001	4,197,858
Monger Gold issued capital as at 31 December 2020		1	1
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>			
Proceeds from the Offer	5.6(a)	25,000,000	5,000,000
Cash costs associated with the Offer	5.6(b)	-	(482,143)
Lead Manager Options	5.6(e)	-	(460,000)
Options issued to other third parties	5.6(f)	-	(460,000)
Acquisition of project tenements - issue of Shares	5.6(d)	3,000,000	600,000
		28,000,000	4,197,857
Pro forma issued share capital		28,000,001	4,197,858

In connection with the Offer, the Company will issue 5,000,000 Options to the Lead Manager and will issue 5,000,000 Options to other third parties who assisted in procuring successful acceptances under the Offer. The Company will also issue 5,300,000 to directors, officers and consultants of the Company. Each Option entitles the holder to subscribe for one Share at an exercise price of \$0.30 and expires three years from the date of the Company's admission to the ASX.

These Options have been valued using a standard trinomial pricing model on the assumption that the Offer Price represents the fair value of a Share as at the grant date, and assuming a risk-free rate of 0.10%, volatility of 100% and a nil dividend yield.

Note 5.8(e) - Reserves

	Note	Audited 31-Dec-20 \$	Pro forma Unaudited 31-Dec-20 \$
Reserves		-	1,683,600
Monger Gold reserves as at 31 December 2020			-
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>			
Acquisition of project tenements - issue of Options	5.6(d)		276,000
Directors, Officers and Consultants Options	5.6(g)		487,600
Lead Manager Options	5.6(e)		460,000
Options issued to other third parties	5.6(f)		460,000
			<u>1,683,600</u>
Pro forma reserves			<u>1,683,600</u>

Note 5.8(f) - Accumulated losses

	Note	Audited 31-Dec-20 \$	Pro forma Unaudited 31-Dec-20 \$
Accumulated losses		(75,577)	(641,034)
Monger Gold accumulated losses as at 31 December 2020			(75,577)
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>			
Directors, Officers and Consultants Options	5.6(g)		(487,600)
Listing costs expensed	5.6(b)		(77,857)
			<u>(565,457)</u>
Pro forma accumulated losses			<u>(641,034)</u>