



# Mt Monger Resources

ACN 645 885 463

## Half Year Report

For the six month period ended 31 December 2020

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## DIRECTORS' REPORT

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### CORPORATE INFORMATION

The directors submit herewith the financial report of Mt Monger Resources Limited and its subsidiaries (collectively "the Group") for the half-year ended 31 December 2020.

**The Group's functional and presentation currency is \$AU.**

A description of the Group's operations and its principal activities is included in the review of operations and activities in the directors' report on page 3. The directors' report is not part of the financial report.

#### **Directors**

John Hannaford (Chairman)  
David Izzard (Non-executive Director)  
Lachlan Reynolds (Non-executive Director)

#### **Company Secretary**

Simon Adams

#### **Registered office**

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West Perth, WA 6005  
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Telephone: +61 8 6444 1788

Web: [www.mtmongerresources.com.au](http://www.mtmongerresources.com.au)

#### **Auditors**

Bentleys Audit & Corporate (WA) Pty Ltd  
London House, Level 3  
216 St George's Terrace  
Perth WA 6000

#### **Share Registry**

Automic Pty Ltd  
Level 2  
267 St Georges Terrace  
Perth WA 6000

## REVIEW OF OPERATIONS

Mt Monger Resources Ltd (**Mt Monger Resources** or the **Company**) was incorporated on 13<sup>th</sup> November 2020. Over the past year the Company has assembled a high-quality portfolio of prospective gold tenements in two prolific regions of Western Australia (**Projects**). Mt Monger Resources was established for the purpose of acquiring Mt Monger Minerals Pty Ltd, Tigers Paw Prospecting Pty Ltd, Golden Wheelbarrow Prospecting No.1 Pty Ltd and Golden Wheelbarrow Prospecting No.2 Pty Ltd which controlled projects through various agreements with third party vendors or through applications for tenements that were applied for in their own right.

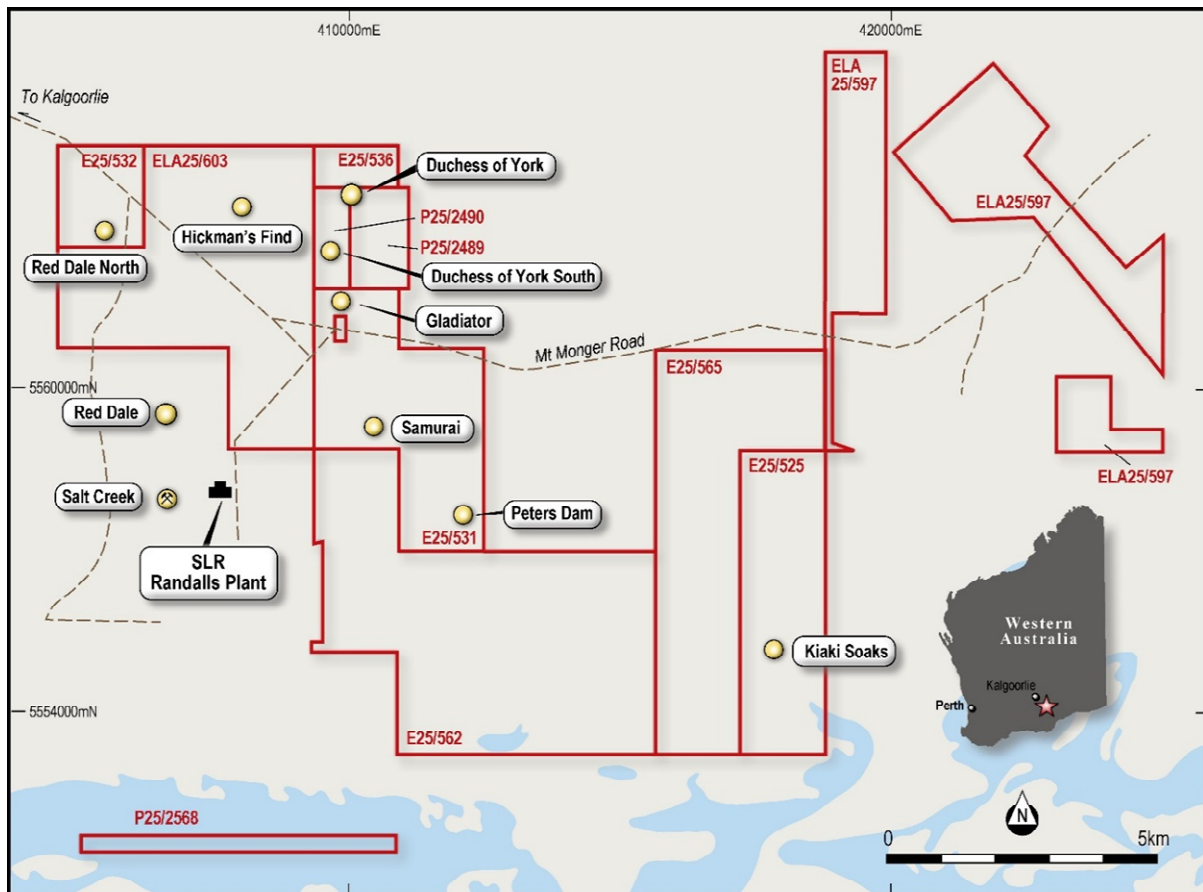


**Location diagram of the Mt Monger Gold Project and East Laverton Project**

**Mt Monger Minerals Pty Ltd** was incorporated in May 2020 for the purpose of acquiring interests in several gold exploration projects in the Mt Monger region of Western Australia.

The **Mt Monger Gold Project** comprises 12 tenements, including nine exploration licenses and three prospecting licenses, covering an area of approximately 122km<sup>2</sup> in the highly prospective Mt Monger gold camp of Western Australia. The project is located approximately 45km east of Kambalda, 70km southeast from Kalgoorlie-Boulder.

Mt Monger Minerals Pty Ltd have successfully consolidated a significant tenement area within the Mt Monger gold camp for the first time since the early 2000's. Mt Monger has a long history of gold production with the project area having excellent geological prospectivity for the discovery of additional gold mineralisation and contains a number of known historical gold resources (**non-JORC 2012 Code compliant**) plus numerous drill-ready exploration targets.



**Location diagram of the Mt Monger Gold Project**

The Mt Monger Gold Project located within the southern part of the Kurnalpi Terrane, in the Eastern Goldfields Superterrane on the eastern part of the Archean Yilgarn Craton. The Kurnalpi Terrane and the neighbouring Kalgoorlie Terrane are hosts to some of the some of the most significant world class gold deposits.

The Mt Monger Gold Project tenement package comprises an area of approximately 122 km<sup>2</sup>.

| Tenement      | Status  | Holder / Applicant   | Date Tenement Granted | Date Tenement Expires   | Area (Blocks ) | Area (km <sup>2</sup> ) | Annual Expenditure Commit't |
|---------------|---------|----------------------|-----------------------|-------------------------|----------------|-------------------------|-----------------------------|
| E 25/525      | Live    | Accelerate Resources | 17/11/2015            | 16/11/2020 <sup>1</sup> | 3              | 8.81                    | \$30,000                    |
| E 25/531      | Live    | Andrew Todd          | 13/12/2018            | 12/12/2023              | 4              | 10.45                   | \$15,000                    |
| E 25/532      | Live    | Andrew Todd          | 13/12/2018            | 12/12/2023              | 1              | 2.94                    | \$10,000                    |
| E 25/536      | Live    | Roy Wilson           | 27/07/2016            | 26/07/2021              | 1              | 1.25                    | \$10,000                    |
| E25/562       | Live    | Jindalee Resources   | 26/03/2018            | 25/03/2023              | 8              | 23.23                   | \$20,000                    |
| E 25/565      | Live    | Accelerate Resources | 31/10/2017            | 30/10/2022              | 5              | 14.68                   | \$15,000                    |
| ELA25/597     | Pending | Jindalee Resources   | ^17/02/2020           |                         | 13             | 38.18                   | *\$20,000                   |
| ELA25/603     | Pending | Mt Monger Minerals   | ^17/11/2020           |                         | 6              | 17.62                   | *\$20,000                   |
| P 25/2489     | Live    | Peter Wiltshire      | 31/01/2019            | 30/01/2023              |                | 2.00                    | \$8,000                     |
| P 25/2490     | Live    | Peter Wiltshire      | 31/01/2019            | 30/01/2023              |                | 1.23                    | \$4,920                     |
| P 25/2568     | Live    | Jindalee Resources   | 9/07/2019             | 8/07/2023               |                | 1.73                    | \$6,920                     |
| <b>Total:</b> |         |                      |                       |                         | <b>41</b>      | <b>122.12</b>           | <b>\$159,840</b>            |

## Mt Monger Project Tenement Status

\* Once granted

^ Under Application

1. The Company notes that an application for extension has been lodged with DMIRS for this tenement, and there is no reason to believe the extension will not be granted.

Note that prospecting license P25/2321, covering 9.9ha, sits enclosed within E25/531. P25/2321 is not held by MMM and does not form part of the Mt Monger Gold Project. Similarly, there are areas that will be excised from E25/597 on granting, as they are live mining leases held by Silver Lake Resources Ltd.

**Tiger's Paw Prospecting Pty Ltd** was established in July 2020 for the purpose of investigating various exploration opportunities in the east Laverton region of the Western Australian goldfields. After an extensive period of project evaluation Tigers Paw lodged applications for two highly prospective project areas covering approx. 840km<sup>2</sup>. Subsequently Tigers Paw entered into an Option Agreement with Trigg Mining Limited to acquire their adjacent tenement E38/3302 covering an area of 304km<sup>2</sup>.

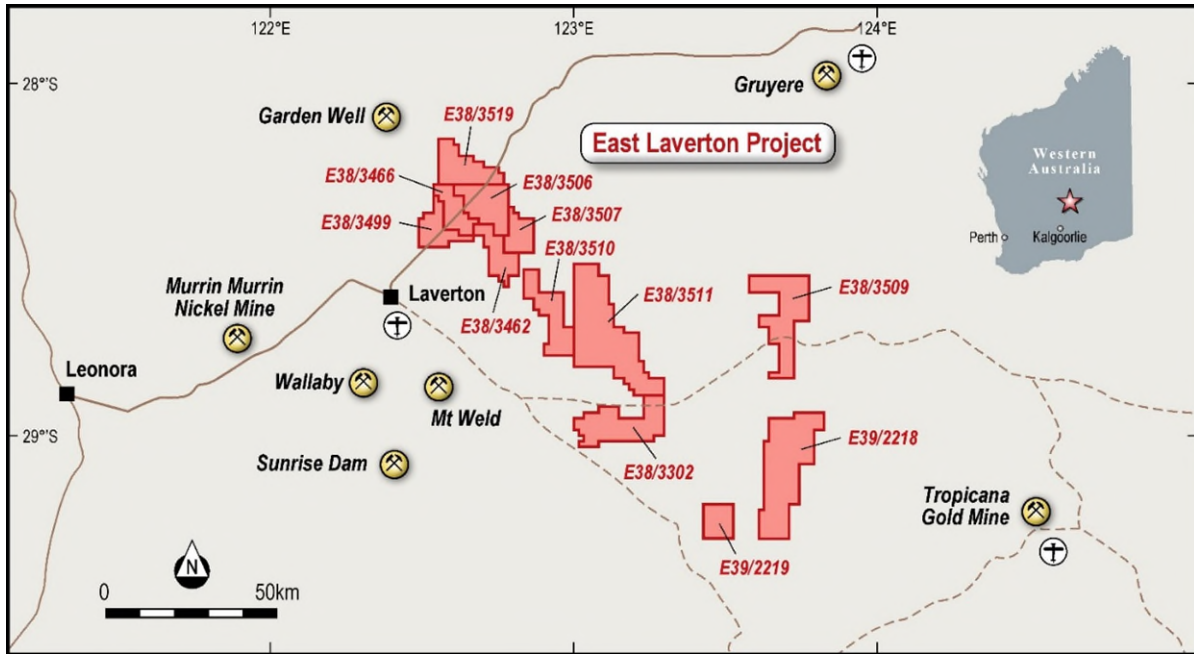
**Golden Wheelbarrow Prospecting No.1 Pty Ltd** and **Golden Wheelbarrow Prospecting No.2 Pty Ltd** were incorporated to secure six highly prospective tenements in the Laverton area to the SE and NW of the Tiger's Paw project.

A farm-in agreement has been entered into with **Tevel Pty Ltd** for further prospective tenements to the west of a contiguous with the Golden Wheelbarrow No.1 Pty Ltd license applications. This provides significant exposure to exploration of a significant area of prospective leases.

The Tiger's Paw, Golden Wheelbarrow and Tevel exploration licenses together make up the **East Laverton Gold Project**. The East Laverton Project comprises eleven exploration licenses, covering an area of approximately 2,950 km<sup>2</sup> in the highly prospective East Laverton region of Western Australia. The project area is located approximately 50 - 100 km east of Laverton and 350km northeast from Kalgoorlie-Boulder.

The East Laverton Project located within the Eastern Goldfields Superterrane on the eastern part of the Archean Yilgarn Craton. The poorly exposed granite greenstone terranes of the eastern Yilgarn Craton include some of the world's most mineralised belts and host world class gold deposits.

The region to the east of Laverton has typically been underexplored, particularly for gold with a majority of historical exploration concentrating on nickel in the 1960's and 1970's on the back of the Poseidon Windarra discovery near Laverton, some sporadic work searching for Rare Earth Elements (REE) following the Mt Weld discovery in the 1980's with some sporadic diamond exploration in the early 2000's following up on aeromagnetic targets and minor exploration for sedimentary hosted uranium occurrences. The traditional geological interpretation is of an area consisting of barren granites between the two well recognised regional mineralised greenstone belts of the Laverton and the Yamarna belts.



**Location of East Laverton Project**

The East Laverton Project comprises one granted exploration licenses and 11 exploration license applications (Table 4). The tenement package comprises an area of approximately 3,063 km<sup>2</sup>.

| Tenement     | Status  | Holder / Applicant                      | Date Tenement Granted/ Applied for | Date Tenement Expires | Area (Blocks) | Area (km <sup>2</sup> ) | Annual Expenditure Commitment |
|--------------|---------|---|------------------------------------|-----------------------|---------------|-------------------------|-------------------------------|
| E38/3302     | Live    | K20 Minerals Pty Ltd                    | 02/08/2018                         | 01/08/2023            | 98            | 303.8                   | \$98,000                      |
| E38/3506     | Pending | Golden Wheelbarrow Prospecting No 1 P/L | ^29/06/2020                        |                       | 69            | 213.9                   | *\$69,000                     |
| E38/3507     | Pending |   | ^29/06/2020                        |                       | 36            | 111.6                   | *\$36,000                     |
| E38/3509     | Pending |   | ^09/07/2020                        |                       | 112           | 347.2                   | *\$112,000                    |
| E38/3519     | Pending |   | ^27/07/2020                        |                       | 65            | 201.5                   | *\$65,000                     |
| E39/2218     | Pending |   | ^03/11/2020                        |                       | 170           | 527.0                   | *\$170,000                    |
| E39/2219     | Pending | Golden Wheelbarrow Prospecting No 2 P/L | ^20/11/2020                        |                       | 36            | 111.6                   | *\$36,000                     |
| E38/3510     | Pending | Tigers Paw Prospecting P/L              | ^10/07/2020                        |                       | 70            | 217.0                   | *\$70,000                     |
| E38/3511     | Pending |   | ^10/07/2020                        |                       | 200           | 620.0                   | *\$200,000                    |
| E38/3462     | Pending | Tevel Pty Ltd                           | ^18/03/2019                        |                       | 46            | 142.6                   | *\$46,000                     |
| E38/3466     | Pending | Tevel Pty Ltd                           | ^09/01/2020                        |                       | 42            | 130.2                   | *\$42,000                     |
| E38/3499     | Pending | Tevel Pty Ltd                           | ^11/06/2020                        |                       | 44            | 136.4                   | *\$44,000                     |
| <b>TOTAL</b> |         |   |                                    |                       | <b>988</b>    | <b>3062.8</b>           | <b>\$988,000</b>              |

**East Laverton Project Tenement Status**

\* Once granted

^ Under Application

The Company intends to pursue an ASX listing to raise sufficient capital to undertake exploration programs on the Mt Monger and Laverton tenement portfolios, with the goal of delineating an economic gold deposit for future development or other means of increasing shareholder value. The board and management of Mt Monger are highly experienced in the junior ASX exploration sector and management of exploration activities.

## DIVIDENDS

No dividends were paid, recommended or declared during the current period.

## AUDITOR INDEPENDENCE DECLARATION TO THE DIRECTORS OF MT MONGER RESOURCES LTD

Section 307C of the Corporations Act 2001 requires our auditors, Bentleys Audit & Corporate (WA) Pty Ltd, to provide the directors of Mt Monger Resources Limited with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 5 and forms part of the director's report for the half-year ended 31 December 2020.

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

On behalf of the directors



**John Hannaford**  
**Chairman**

26 March 2021

**Bentleys Audit & Corporate  
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To The Board of Directors

### **Auditor's Independence Declaration under Section 307C of the Corporations Act 2001**

As lead audit partner for the review of the financial statements of Mt Monger Resources Limited for the period ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully



**BENTLEYS**  
**Chartered Accountants**



**MARK DELAURENTIS CA**  
**Partner**

Dated at Perth this 26<sup>th</sup> day of March 2021



## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 31 December 2020

|  | Notes | 2020            |
|--|-------|-----------------|
| Revenue  |       | -               |
| Direct Cost of Sales   |       | -               |
| Gross Profit from operations   |       | -               |
| Exploration expense  | 9     | (9,831)         |
| Corporate administration expenses  | 9     | (25,302)        |
| Finance income   |       | -               |
| <b>Profit/(loss) before income tax</b>   |       | <b>(35,133)</b> |
| Income Tax Expense   |       | -               |
| <b>Profit/(loss) after income tax</b>  |       | <b>(35,133)</b> |
| <b>Other Comprehensive income/(loss)</b>   |       | <b>-</b>        |
| <b>Total comprehensive loss for the period attributable to members of the entity</b> |       | <b>(35,133)</b> |

Earnings per share:

|                           |    | <b>31 Dec 2020</b> |
|---------------------------|----|--------------------|
|                           |    | <b>Cents</b>       |
| Basic (cents per share)   | 10 | (0.44)             |
| Diluted (cents per share) | 10 | (0.44)             |

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

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

|                                   | Notes | 2020<br>\$       |
|-----------------------------------|-------|------------------|
| <b>ASSETS</b>                     |       |                  |
| <b>Current assets</b>             |       |                  |
| Cash and cash equivalents         | 11    | 53,638           |
| Trade and other receivables       | 12    | 116,002          |
| Current tax assets                |       |                  |
| <b>Total current assets</b>       |       | <b>169,640</b>   |
| <b>Non-current assets</b>         |       |                  |
| Exploration and evaluation assets | 13    | 1,225,892        |
| <b>Total non-current assets</b>   |       | <b>1,225,892</b> |
| <b>Total assets</b>               |       | <b>1,395,532</b> |
| <b>Current liabilities</b>        |       |                  |
| Trade and other payables          | 14    | 43,428           |
| Borrowings                        | 15    | 357,237          |
| <b>Total current liabilities</b>  |       | <b>400,665</b>   |
| <b>Non-current liabilities</b>    |       | <b>-</b>         |
| <b>Net Assets</b>                 |       | <b>994,867</b>   |
| <b>Equity</b>                     |       |                  |
| Share Capital                     | 16    | 1,030,000        |
| Retained Earnings                 |       | (35,133)         |
| <b>Total Equity</b>               |       | <b>994,867</b>   |

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

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 December 2020

|  | Notes | Share Capital    | Retained Earnings | Total Equity   |
|--|-------|------------------|-------------------|----------------|
| <b>Balance at Incorporation</b>                              |       | -                | -                 | -              |
| Profit/(Loss) for the period                                 |       | -                | (35,133)          | (35,133)       |
| Other Comprehensive Income                                   |       | -                | -                 | -              |
| <b>Total Comprehensive Income for the period</b>             |       | -                | (35,133)          | (35,133)       |
| <b>Transactions with owners in their capacity as owners:</b> |       |                  |                   |                |
| Shares issued  |       | 1,030,000        | -                 | 1,030,000      |
| <b>Balance at 31 December 2020</b>                           |       | <b>1,030,000</b> | <b>(35,133)</b>   | <b>994,867</b> |

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

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 December 2020

|   | Notes | 2020            |
|---|-------|-----------------|
| <b>Cash flows from operating activities</b>                 |       |                 |
| Payments to suppliers and employees                         |       | (6,137)         |
| <b>Net cash outflow from operating activities</b>           |       | <u>(6,137)</u>  |
| <b>Cash flows from investing activities</b>                 |       |                 |
| Payments for acquisition of assets                          |       | -               |
| Payments for exploration                                    |       | (39,731)        |
| <b>Net cash outflow from investing activities</b>           |       | <u>(39,731)</u> |
| <b>Cash flows from financing activities</b>                 |       |                 |
| Proceeds from issues of shares                              |       | 50,000          |
| Proceeds from loans   |       | 63,950          |
| Loans to other entities                                     |       | (14,444)        |
| <b>Net cash inflow from financing activities</b>            |       | <u>99,506</u>   |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |       | <b>53,638</b>   |
| Cash and cash equivalents at the beginning of the period    |       | -               |
| <b>Cash and cash equivalents at end of period</b>           | 11    | <b>53,638</b>   |

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

## NOTES TO THE FINANCIAL STATEMENTS

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### 1. General Information

Mt Monger Resources Limited is a company limited by shares, domiciled and incorporated in Australia. The financial statements cover Mt Monger Resources Ltd as a Group consisting of Mt Monger Resources Ltd and the entities that it controlled at the end of, or during, the half year.

The nature of operations and principal activities of Mt Monger Resources and its controlled entities are the exploration of gold and other minerals.

The financial report of Mt Monger Resources Limited for the period ending 31 December 2020. This interim financial report does not include all the notes of the type that are normally included in an annual financial report other than significant accounting policy changes that have occurred in the current reporting period.

### 2. Basis of Preparation

These condensed consolidated interim financial statements for the period ending 31 December 2020 have been prepared in accordance with Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*.

This financial report also complies with *IAS 34 Interim Financial Reporting*, as issued by the International Accounting Standards Board.

These condensed consolidated interim financial statements do not include all the notes of the type normally included in an annual financial report.

The financial report has been prepared on a historical costs basis and has been presented in Australian Dollars (AUD) rounded to the nearest AUD1 unless otherwise stated.

### 3. Accounting Policies

#### a) Significant Accounting Policies

Critical accounting judgements, estimates and assumptions are discussed in the following notes:

|  |         |
|--|---------|
| Exploration and evaluation expenditure | note 13 |
| Asset Acquisition                      | note 18 |

#### b) Adoption of new accounting standards effective this financial year

No material new accounting standards were adopted during the period.

### 4. Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

The Company has adopted all new and revised Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board (AASB) which are mandatory to apply to the current year.

## **5. Principals of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Mt Monger Resources Limited as at 31 December 2020 and the results of all subsidiaries for the year then ended. Mt Monger Resources Limited and its subsidiaries together are referred to as the Group. Subsidiaries are all those entities (including special purpose entities) over which the Group has power to govern the financial and operating policies, so as to obtain benefits from its activities, generally accompanying a shareholding of more than one-half of the voting rights. The existence and potential effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Entity, using consistent accounting policies. Accounting policies of subsidiaries have been changed when necessary to ensure consistency with the policies adopted by the Group.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. There are deconsolidated from the date that control ceases. Intercompany transactions and balances, income and expenses and profit and losses between Group companies, are eliminated.

## **6. Segment Information**

The Group has one operating segment 'Exploration' based on internal management reports that are reviewed and used by the Group's Executive Committee in assessing performance. Exploration comprises all projects in the exploration, evaluation and feasibility phase of the Group. These include exploration projects at Mt Monger and East Laverton groups of tenements.

## **7. Going Concern**

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

The Company incurred a net loss of \$35,133 and experienced net cash outflows from operations of \$6,137 for the period ended 31 December 2020. The Company has liabilities of \$400,665 and cash on hand of \$53,638.

The ability of the Company to continue as a going concern is dependent upon the success of the fundraising under a prospectus yet to be issued. This requirement gives rise to a material uncertainty that may cast a significant doubt over the Company's ability to continue as a going concern and therefore that it will be able to realize its assets and discharge its liabilities in the normal course of business, and at the amount stated in the financial report.

The directors believe that the Company will continue as a going concern for the following reasons:

- The Company plans to undertake a capital raise under a prospectus to raise up to \$6 million (before costs).
- The Company has raised \$220,000 of capital since the end of this reporting period

- The Company is seeking to enter into a best endeavours Lead Manager’s engagement letter to act as Lead Manager for \$400,000 of the Company’s outstanding seed capital raising at 10 cents per share and to act as Lead Manager for a proposed Initial Public Offering to raise between \$4m to \$6m at 20 cents per share on terms considered normal for similar transactions.

Should the Company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in ordinary course of business, and at amounts that differ from those stated in the financial statements. 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.

## 8. Significant events occurring after the reporting date

Subsequent to the reporting date, seed capital of \$220,000 has been received taking the total seed capital raised to \$270,000. Seed capital shares were issued on 17<sup>th</sup> March 2021. ASX approval for an IPO to proceed which will raise between \$5-6 million was received on 2 February 2021 and a prospectus is in the process of being prepared. The IPO is expected to be completed by 31 May 2021. Mt Monger Resources has entered into a farm-in agreement with Tevel Pty Ltd in relation to 3 applications held by Tevel (see note 19)

## 9. Revenue, other income and expenses

|   | 2020<br>\$ |  |  |
|---|------------|--|--|
| <b>a) Exploration Expenses</b>              |            |  |  |
| Tenement Rent                               | 8,677      |  |  |
| Other Tenement Expenses                     | 1,154      |  |  |
|   | 9,831      |  |  |
| <b>b) Corporate Administration Expenses</b> |            |  |  |
| Accounting and Audit                        | 16,400     |  |  |
| Other                                       | 8,902      |  |  |
|   | 25,302     |  |  |

## 10. Earnings per share

|  |                             |  |  |
|--|-----------------------------|--|--|
| Loss used in calculating basic earnings per share  | (35,133)                    |  |  |
|  | <b>Number of<br/>Shares</b> |  |  |
| Weighted average number of ordinary shares used in calculating basic earnings per share            | 8,072,917                   |  |  |
| Effect of dilution securities:   |                             |  |  |
| Share options  | -                           |  |  |
| Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share | 8,072,917                   |  |  |

### 11. Cash and cash equivalents

|                          | 2020<br>\$ |  |  |
|--------------------------|------------|--|--|
| Cash at bank and on hand | 53,638     |  |  |

### 12. Trade and Other Receivables

|                         | 2020<br>\$     |  |  |
|-------------------------|----------------|--|--|
| Sundry Debtors          | 33,300         |  |  |
| Prepayments             | 62,164         |  |  |
| GST                     | 7,594          |  |  |
| Loans to other entities | 12,944         |  |  |
|                         | <b>116,002</b> |  |  |

### 13. Exploration and Evaluation Assets

#### Accounting Policy

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- a. the expenditures are expected to be recouped through successful development and exploitation of the area of interest, or
- b. activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing

|                                  | 2020<br>\$       |  |  |
|----------------------------------|------------------|--|--|
| Opening balance at incorporation | -                |  |  |
| Acquisition value of E&E assets  | 1,210,159        |  |  |
| Expenditure for the period       | 15,733           |  |  |
| Closing Balance                  | <b>1,225,892</b> |  |  |

### 14. Trade and other payables

|                | 2020<br>\$    |  |  |
|----------------|---------------|--|--|
| Trade payables | 28,228        |  |  |
| Accruals       | 15,200        |  |  |
|                | <b>43,428</b> |  |  |



## 15. Borrowings

During the period, working capital was provided as unsecured loans from related parties to meet short term expenditure requirements associated with the securing of tenements and payment of consultants and suppliers relating to the Company's activities. It is expected that loans will be repaid on close of the proposed IPO.

|                                    | 2020<br>\$ |  |
|------------------------------------|------------|--|
| Unsecured loans (refer to Note 20) | 357,237    |  |

## 16. Issued Capital

### a. Movements in Ordinary Shares

|   | 2020<br>\$       | 2020<br>Number    |
|---|------------------|-------------------|
| Opening balance                               | -                | -                 |
| Founder shares issued                         | 30,000           | 3,000,000         |
| Vendor shares issued                          | 950,000          | 9,500,000         |
| <b>Total Issued Capital</b>                   | <b>980,000</b>   | <b>12,500,000</b> |
| Seed capital shares to be issued <sup>1</sup> | 50,000           | 500,000           |
| <b>Closing balance</b>                        | <b>1,030,000</b> | <b>13,000,000</b> |

1. Equity payment has been received as part of seed capital, but shares were not issued as at 31 December 2020

### b. Number of Share Options Issued

|  | 2020             |
|--|------------------|
| Opening number of share options        | -                |
| Shares Options Issued                  | 3,000,000        |
| <b>Closing number of share options</b> | <b>3,000,000</b> |

3 million free attaching options were issued to the founding shareholders. These options have a strike price of 30 cents and expiry date of 4yrs from the issue date of 30 November 2020.

## 17. Commitments

In order to maintain current rights of tenure to various tenements, Mt Monger Resources Ltd's subsidiary companies are required to perform exploration activities to a level that meets the minimum expenditure requirements specified under the Mining Act 1978 of Western Australia. These obligations are expected to be met by the Company in the normal course of operations and have not been provided for in the financial report. The following two tables are lists of both live and Pending tenements, along with the Annual Expenditure Commitment for the Mt Monger Gold Project and the East Laverton Project.

## Mt Monger Project Tenement Status

| Tenement     | Status  | Holder / Applicant   | Date Tenement Granted   | Date Tenement Expires   | Annual Expenditure Commitment |
|--------------|---------|----------------------|-------------------------|-------------------------|-------------------------------|
| E 25/525     | Live    | Accelerate Resources | 17/11/2015              | 16/11/2020 <sup>1</sup> | \$30,000                      |
| E 25/531     | Live    | Andrew Todd          | 13/12/2018              | 12/12/2023              | \$15,000                      |
| E 25/532     | Live    | Andrew Todd          | 13/12/2018              | 12/12/2023              | \$10,000                      |
| E 25/536     | Live    | Roy Wilson           | 27/07/2016              | 26/07/2021              | \$10,000                      |
| E 25/562     | Live    | Jindalee Resources   | 26/03/2018              | 25/03/2023              | \$20,000                      |
| E 25/565     | Live    | Accelerate Resources | 31/10/2017              | 30/10/2022              | \$15,000                      |
| P 25/2489    | Live    | Peter Wiltshire      | 31/01/2019              | 30/01/2023              | \$8,000                       |
| P 25/2490    | Live    | Peter Wiltshire      | 31/01/2019              | 30/01/2023              | \$4,920                       |
| P 25/2568    | Live    | Jindalee Resources   | 09/07/2019              | 8/07/2023               | \$6,920                       |
| ELA 25/597   | Pending | Jindalee Resources   | <sup>^</sup> 17/02/2020 |                         | \$20,000                      |
| ELA 25/603   | Pending | Mt Monger Resources  | <sup>^</sup> 17/11/2020 |                         | \$20,000                      |
| <b>Total</b> |         |                      |                         |                         | <b>\$159,840</b>              |

\* Once granted

<sup>^</sup> Under Application

- The Company notes that an application for extension has been lodged with DMIRS for this tenement, and there is no reason to believe the extension will not be granted.

## East Laverton Project Tenement Status

| Tenement     | Status  | Holder / Applicant                      | Date Tenement Granted                   | Date Tenement Expires   | Annual Expenditure Commitment |
|--------------|---------|---|---|-------------------------|-------------------------------|
| E 38/3302    | Live    | K20 Minerals Pty Ltd                    | 02/08/2018                              | 01/08/2023              | \$98,000                      |
| E 38/3506    | Pending | Golden Wheelbarrow Prospecting No 1 P/L | <sup>^</sup> 29/06/2020                 |                         | *\$69,000                     |
| E 38/3507    | Pending |   | <sup>^</sup> 29/06/2020                 |                         | *\$36,000                     |
| E 38/3509    | Pending |   | <sup>^</sup> 09/07/2020                 |                         | *\$112,000                    |
| E 38/3519    | Pending |   | <sup>^</sup> 27/07/2020                 |                         | *\$65,000                     |
| E 39/2218    | Pending |   | Golden Wheelbarrow Prospecting No 2 P/L | <sup>^</sup> 03/11/2020 |                               |
| E 39/2219    | Pending | <sup>^</sup> 20/11/2020                 |   |                         | *\$36,000                     |
| E 38/3510    | Pending | Tigers Paw                              | <sup>^</sup> 10/07/2020                 |                         | *\$70,000                     |
| E 38/3511    | Pending | Prospecting P/L                         | <sup>^</sup> 10/07/2020                 |                         | *\$200,000                    |
| E 38/3462    | Pending | Tevel Pty Ltd                           | <sup>^</sup> 18/03/2019                 |                         | *\$46,000                     |
| E 38/3466    | Pending | Tevel Pty Ltd                           | <sup>^</sup> 09/01/2020                 |                         | *\$42,000                     |
| E 38/3499    | Pending | Tevel Pty Ltd                           | <sup>^</sup> 11/06/2020                 |                         | *\$44,000                     |
| <b>Total</b> |         |   |   |                         | <b>\$988,000</b>              |

\* Once granted

<sup>^</sup> Under Application

## 18. Asset Acquisitions

On 30th November 2020, Mt Monger Resources completed the acquisition of the following entities by way of purchase of all of the share capital from each of the subsidiaries' shareholders, with consideration being the issue of a number of fully paid ordinary shares in Mt Monger Resources. The Group determined that the transaction does not constitute a business combination as defined

by AASB 3. The acquisition of the net assets meets the definition of and has been accounted for as an asset acquisition.

| <b>Subsidiary Entities</b>                      | <b>No of shares in Company issued to shareholders of Subsidiaries</b> | <b>\$ value of Shares</b> |
|---|---|---------------------------|
| Mt Monger Minerals Pty Ltd                      | 3,000,000   | 300,000                   |
| Tigers Paw Prospecting Pty Ltd                  | 2,500,000   | 250,000                   |
| Golden Wheelbarrow Prospecting Number 1 Pty Ltd | 2,000,000   | 200,000                   |
| Golden Wheelbarrow Prospecting Number 2 Pty Ltd | 2,000,000   | 200,000                   |
| <b>Total Vendor shares issued</b>               | <b>9,500,000</b>  | <b>950,000</b>            |

### **Mt Monger Minerals Pty Ltd**

Mt Monger Minerals has 9 granted tenements which are under current option agreements with the existing Tenement Holders and 2 pending applications.

### **Tigers Paw Prospecting Pty Ltd**

Tigers Paw Prospecting has 2 granted tenements, one of which is under a current option agreement with the existing Tenement Holders, and 1 pending tenement application.

### **Golden Wheelbarrow Prospecting Number 1 Pty Ltd**

Golden Wheelbarrow Prospecting Number 1 has 4 pending tenement applications.

### **Golden Wheelbarrow Prospecting Number 2 Pty Ltd**

Golden Wheelbarrow Prospecting Number 2 has 1 pending tenement applications.

## **19. Summary of Agreements**

Mt Monger Resources has entered into purchase option agreements with various counterparties to acquire a number of granted and applied-for mining tenements in the Mt Monger region, 70km south of Kalgoorlie, WA. In addition it has entered into an option agreement with a tenement holder in the East Laverton region of WA. The terms of the option agreements are summarised below.

### **Tenement Holder (Roy Wilson); Tenement: (E 25/536)**

- Agreement execution date: 27 May 2020
- Option Fees: \$10,000 option fee expiring 6months from execution date payable to Tenement Holder, and a further \$10,000 fee to extend the notice by 6 months
- Consideration: - the following consideration was agreed upon exercising of the option:
  - \$20,000 cash payment to Roy Wilson within 7 days of exercising of option
  - \$75,000 of ordinary shares in the capital of Mt Monger Resources Ltd upon listing on the ASX
  - 1% gross revenue royalty to Tenement Vendor

**Tenement Holder (Peter Wiltshire); Tenements: (P 25/2489, P 25/2490)**

- Agreement execution date: 08 June 2020
- Option Fees: \$10,000 option fee expiring 6months from execution date payable to Tenement Holder, and further \$10,000 option fee on each six-month anniversary of the execution date
- Consideration: - the following consideration was agreed upon exercising of the option:
  - \$15,000 cash payment to Peter Wiltshire upon exercising of option
  - \$75,000 of ordinary shares in the capital of Mt Monger Resources Ltd upon listing on the ASX
  - 1.25% net smelter royalty in respect of any future production from the Tenement, capped at 10,000 oz.

**Tenement Holder (Andrew Todd); Tenements: (E 25/531, E 25/532)**

- Agreement execution date: 25 April 2020
- Option Fees: \$15,000 option fee expiring 12months from execution date payable to Tenement Holder
- Consideration: - the following consideration was agreed upon exercising of the option:
  - \$35,000 of ordinary shares in the capital of Mt Monger Resources Ltd upon listing on the ASX, or a \$35,000 for full and final settlement if not listed on ASX by 30 April 2021
  - Upon delineation of a JORD resources > 50,000oz at > 1.5g/t, the Vendor will receive additional \$50,000 in shares based on a 5 day VWAP
  - Royalty of \$1 / tonne of ore mined and produced from the tenement in respect of gold mineralisation

**Tenement Holder (Accelerate Resources Ltd); Tenements: (E 25/525, E 25/565)**

- Agreement execution date: 27 October 2020
- Option Fees: \$33,000 option fee expiring 6months from 20 August 2020 (option fee date) payable to Tenement Holder
- Consideration: - the following consideration was agreed upon exercising of the option:
  - \$75,000 of ordinary shares in the capital of Mt Monger Resources Ltd upon listing on the ASX
  - Upon delineation of a JORD resources > 20,000oz at > 1.5g/t, the Vendor will receive additional \$50,000 in cash
  - Pre-existing obligation to pay a 1% net smelter royalty over gold produced in favour of Gibb River Diamonds Ltd.

**Tenement Holder (Jindalee Resources Ltd); Tenements: (E 25/562, E 25/597, P 25/2568)**

- Agreement execution date: 05 November 2020
- Option Fees: \$10,000 option fee expiring 6months from 22 September 2020 payable to Tenement Holder, and a further \$10,000 fee to extend the notice by 6 months
- Consideration: - the following consideration was agreed upon exercising of the option:
  - \$100,000 of ordinary shares in the capital of Mt Monger Resources Ltd upon listing on the ASX

### Tenement Holder (K20 Minerals Pty Ltd); Tenements: (E 38 /302)

- Agreement date: 14 September 2020
- Option Fees: \$20,000 option fee expiring 6months from 14 September 2020 payable to Tenement Holder, and a further \$20,000 fee to extend the notice by 6 months
- Consideration: - the following consideration was agreed upon exercising of the option:
  - \$100,000 of ordinary shares in the capital of Mt Monger Resources Ltd upon listing on the ASX
  - Upon delineation of a JORD resources > 200,000oz at > 0.5g/t, the Vendor will receive additional \$200,000 in ordinary shares in Mt Monger Resources Ltd
  - Upon delineation of a JORD resources > 500,000oz at > 0.5g/t, the Vendor will receive additional \$500,000 in ordinary shares in Mt Monger Resources Ltd

### Farm-In Agreement with Tevel Pty Ltd - Tenements (E38 /3462, E38 / 3466, E38 /3499)

Mt Monger Resources has entered into a farm-in agreement with Tevel Pty Ltd in relation to 3 applications held by Tevel. Under the agreement MMR has agreed, subject to listing on ASX to carry our exploration of \$700,000 to earn a 51% interest in the Tevel ground. Mt Monger Resources may then elect to carry out further exploration of up to \$1m to earn a further 24% (i.e. total 75%), at which point Tevel may contribute, sell or dilute subject to normal dilution provisions.

## 20. Contingent Liabilities

Mt Monger Resources has contingent liabilities through the potential royalties payable to some of these Tenement Option holders. These royalties are contingent on Mt Monger Resources meeting specific production results from each of the Tenements, such as production proceeding from the Tenements, or a minimum quantity and quality of resource being produced from the Tenements. These royalties are detailed in each of the Tenement Holder agreements in Note 19 above.

## 21. Related party transactions

Mt Monger Resources has unsecured loans payable to the following entities. These loans were issued at 0% interest and will be repayable within 12 months.

| Entity                     | 31-Dec-2020<br>\$ |
|----------------------------|-------------------|
| Bowman Gate Pty Ltd        | 75,326            |
| Golden Wheelbarrow Pty Ltd | 132,831           |
| Hop Valley Holdings Ltd    | 67,247            |
| John Hannaford             | 183               |
| Rockford Partners Pty Ltd  | 81,650            |
| <b>Total Loans Payable</b> | <b>357,237</b>    |

Mt Monger Resources has provided loans to the following entities. These loans were issued at 0% interest and will be repayable within 12 months.

| Entity                                      | 31-Dec-2020<br>\$ |
|---|-------------------|
| Golden Wheelbarrow Prospecting No 3 Pty Ltd | 11,444            |
| Tigers Paw Pty Ltd                          | 1,500             |
| <b>Total Loans Receivable</b>               | <b>12,944</b>     |

David Izzard is a director of both Mt Monger Resources Ltd and of all the entities above. John Hannaford is a director of both Mt Monger Resources Ltd and Rockford Partners Pty Ltd, and provided a personal loan to Mt Monger Resources Ltd. He is also company secretary of Rockford Partners Pty Ltd.

## DIRECTORS' DECLARATION

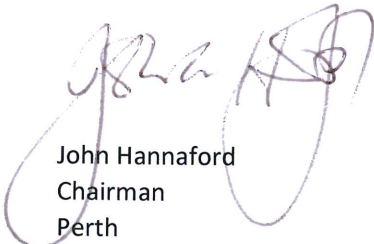
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In accordance with a resolution of the directors of Mt Monger Resources Limited, I state that:

In the opinion of the directors

- (a) The financial statements and notes of Mt Monger Resources Limited are 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 performance for the half year ended on that date, and
  - ii. Complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) Subject to achieving the matters set out in note 7 to the financial report, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



John Hannaford  
Chairman  
Perth

26 March 2021

## Independent Auditor's Review Report

### To the Members of Mt Monger Resources Limited

#### Conclusion

We have reviewed the accompanying half-year financial report of Mt Monger Resources Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2020, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the period ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Mt Monger Resources Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Mt Monger Resources Limited financial position as at 31 December 2020 and of its performance for the period ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the 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* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 review report.

## Independent Auditor's Report

To the Members of Mt Monger Resources Limited (Continued)



### Material Uncertainty Related to Going Concern

We draw attention to Note 7 in the financial report, which indicates that the Company incurred a net loss of \$35,133 during the period ended 31 December 2020. As stated in Note 7, these events or conditions, along with other matters as set forth in Note 7, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

### Responsibility of the Directors for the Financial Report

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

### Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

**BENTLEYS**  
Chartered Accountants

**MARK DELAURENTIS CA**  
Partner

Dated at Perth this 26<sup>th</sup> day of March 2021



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