

Victory Goldfields Pty Ltd

ABN 81 637 204 892

Annual Report – For the period ended 30 June 2020

Victory Goldfields Pty Ltd
Directors' report
30 June 2020

The directors present their report, together with the financial statements, on the company for the period ended 30 June 2020.

Directors

The following persons were directors of the company during the period 1 November 2019 to 30 June 2020 and up to the date of this report, unless otherwise stated:

Trevor Matthews
Brendan Clark

Principal activities

During the period the principal continuing activities of the company consisted of mining exploration and project development.

Review of operations

The (loss) for the company, after providing for income tax, amounted to (\$315,278).

Significant changes in the state of affairs

There were no other significant changes in the state of affairs of the company during the period 1 November 2019 to 30 June 2020.

Matters subsequent to the end of the financial year

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not seen any financial impact for the company up to 30 June 2020, 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 matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the entity's state of affairs in future financial years.

Likely developments and expected results of operations

During the first quarter of 2021, Victory Goldfields is expected to commence a drilling and exploration program over two of its key tenements based in the North & North West of Cue township

Environmental regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Trevor Matthews
Title:	Managing Director
Qualifications:	Bachelor of Commerce, Post Graduate Diploma in Applied Finance and Investment.
Experience and expertise:	Over 20 years in executive management of ASX listed mining and development companies.

Name:	Brendan Clark
Title:	Chairperson
Qualifications:	Real Estate Diploma
Experience and expertise:	Founder of 3 international mining development companies and over 15 years experience in executive management

Company Secretary

Trevor Matthews has held the role of Company Secretary since inception. Refer to the details above.

Victory Goldfields Pty Ltd
Directors' report
30 June 2020

Minutes of directors

The number of meetings of the company's Board of Directors ("the Board") and of each Board committee held during the period ended 30 June 2020:

	Attended	Held
Trevor Matthews	5	5
Brendan Clark	5	5

Shares under option

There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the period ended 30 June 2020 and up to the date of this report.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the period ended 30 June 2020, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

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.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

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

On behalf of the directors



Brendan Clark
Chairperson

22 January 2021
Perth, Western Australia

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF VICTORY GOLDFIELDS PTY LTD

In relation to our audit of the financial report of Victory Goldfields Pty Ltd for the period ended 30 June 2020, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



PKF PERTH



SHANE CROSS
PARTNER

22 JANUARY 2021
WEST PERTH
WESTERN AUSTRALIA

Victory Goldfields Pty Ltd

Contents

30 June 2020

Auditors Independence Declaration	3
Statement of profit or loss and other comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9
Directors declaration	17
Independent auditors report	18

General information

The financial statements cover Victory Goldfields Pty Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Victory Goldfields Pty Ltd's functional and presentation currency.

Victory Goldfields Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

PKF Perth, Level 4, 35 Havelock Street
WEST PERTH WA 6005

Principal place of business

407, 30 The Circus
BURSWOOD WA 6100

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 22 January 2021. The directors have the power to amend and reissue the financial statements.

Victory Goldfields Pty Ltd
Statement of profit or loss and other comprehensive income
For the period ended 30 June 2020

		For the period ended 30 June 2020 \$
Revenue		-
Expenses		
Advertising expenses		(4,743)
Amortisation		(165)
Audit fees		(4,750)
Depreciation charges		(9,311)
Royalties		(20,000)
Tenement Expenses		(259,624)
Other expenses	3	<u>(16,685)</u>
Profit/(Loss) before income tax expense		(315,278)
Income tax expense/(benefit)	4	-
Profit/(Loss) after income tax expense for the period		<u>(315,278)</u>

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

Victory Goldfields Pty Ltd
Statement of financial position
As at 30 June 2020

	Note	2020 \$
Current assets		
Cash and cash equivalents	5	22,243
Prepayments		3,884
Other receivables	6	23,040
Total current assets		<u>49,167</u>
Non-current assets		
Property, plant and equipment	7	-
Intangibles		660
Total non-current assets		<u>660</u>
Total assets		<u>49,827</u>
Current liabilities		
Trade payables		75,774
Other payables	8	704
Accruals		12,376
Total current liabilities		<u>88,854</u>
Total liabilities		<u>88,854</u>
Net liabilities		<u>(39,027)</u>
Equity		
Issued capital	9	276,251
Accumulated losses	10	<u>(315,278)</u>
Total equity		<u>(39,027)</u>

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

Victory Goldfields Pty Ltd
Statement of changes in equity
For the period ended 30 June 2020

	Issued capital	Accumulated losses	Total equity
Balance at 1 November 2019	-	-	-
Issued capital	276,251	-	276,251
(Loss) after income tax expense for the period	-	(315,278)	(315,278)
Balance at 30 June 2020	<u>276,251</u>	<u>(315,278)</u>	<u>(39,027)</u>

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

Victory Goldfields Pty Ltd
Statement of cash flows
For the period ended 30 June 2020

	Note	2020 \$
Cash flows used in operating activities		
Payments to suppliers and employees		<u>(240,401)</u>
Net cash used in operating activities		<u>(240,401)</u>
Cash flows used in investing activities		
Payments for property, plant and equipment		<u>(9,311)</u>
Net cash used in investing activities		<u>(9,311)</u>
Cash flows from financing activities		
Borrowings		705
Issued capital		<u>271,250</u>
Net cash from financing activities		<u>271,955</u>
Net increase in cash and cash equivalents		22,243
Cash and cash equivalents at the beginning of the period		<u>-</u>
Cash and cash equivalents at the end of the period	5	<u><u>22,243</u></u>

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

Note 1. 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.

New or amended Accounting Standards and Interpretations adopted

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

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

Basis of preparation

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of the company. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the owners of the company.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Going concern basis

The company has net liabilities of \$39,027 as at 30 June 2020 and incurred a loss of \$315,278 and net operating cash outflows of \$240,401 for the period ended 30 June 2020.

The Directors consider there are reasonable grounds to believe that the company will be able to continue as a going concern after consideration of the following factors:

- The company has the ability to adjust its exploration expenditure subject to results of its exploration activities and the company's funding position.
- The Directors are confident that the company will be able to raise further capital as required.

The Directors believe that the above indicators demonstrate that the company will be able to pay their debts as and when they fall due and to continue as a going concern. Accordingly, the Directors also believe that it is appropriate to adopt the going concern basis in the preparation of the 2020 financial report.

In the event that the company does not achieve the above actions, there exists significant uncertainty as to whether the company will be able to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business.

Note 1. Significant accounting policies (continued)

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Plant and equipment	3-20 years
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Exploration and evaluation expenditure

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the company has obtained the legal rights to explore an area are recognised in the profit or loss statement.

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

- i. the expenditures are expected to be recouped through successful development and exploitation of the area of interest, or by its sale; or
- ii. 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 economically recoverable reserves.

Where a project or area of interest has been abandoned, the expenditure incurred is written off in the year in which the decision is made.

Note 1. Significant accounting policies (continued)

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary Class 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') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Fair value measurement hierarchy

The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

The entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Exploration and evaluation expenditure

The entity expenses expenditure relating to exploration. Key judgements are applied in considering costs to be expensed, including determining those expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes and changes to commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Income tax

The company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax audit issues based on the company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 3. Other expenses

	2020
	\$
Bank charges	(150)
Fees and permits	(80)
Insurance	(573)
Interest Paid	(59)
Legal costs	(2,273)
Printing and stationary	(522)
Professional fees	(7,300)
Repairs and maintenance	(985)
Sundry expenses	(3,346)
Uniforms	(122)
Website expenses	(1,275)
	<u>(16,685)</u>

Note 4. Income tax expense

Income tax expense

Current tax	-
Deferred tax - origination and reversal of temporary differences	<u>-</u>

Aggregate income tax expense	-
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Numerical reconciliation of income tax expense and tax at the statutory rate

Profit/(Loss) before income tax expense	(315,278)
Tax at the statutory tax rate of 27.5%	86,701
Effect of permanent differences and deferred tax assets not recognised	<u>(86,701)</u>

Income tax expense	<u>-</u>
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Note 5. Current assets - cash and cash equivalents

	2020 \$
Cash at bank	<u>22,243</u>
	<u><u>22,243</u></u>

Reconciliation to cash and cash equivalents at the end of the period

The above figures are reconciled to cash and cash equivalents at the end of the period as shown in the statement of cash flows as follows:

Balances as above	<u>22,243</u>
Balance as per statement of cash flows	<u><u>22,243</u></u>

Note 6. Current assets - Other receivables

GST Refundable	<u>23,040</u>
	<u><u>23,040</u></u>

Note 7. Non-current assets - property, plant and equipment

Plant and equipment - at cost	9,311
Less: Accumulated depreciation	<u>(9,311)</u>
	<u><u>-</u></u>

Note 8. Current liabilities – other payables

Related party loan	<u>705</u>
	<u><u>705</u></u>

Note 9. Equity - issued capital

	2020 Shares	2020 \$
Ordinary shares – fully paid	<u>12,606,250</u>	<u>276,251</u>

Movements in share capital

Details	Date	Shares	\$
Balance	1 November 2019	2	2
Issue of shares	2 December 2019	9,999,998	4,999
Issue of shares	10 January 2020	500,000	100,000
Issue of shares	21 January 2020	500,000	100,000
Issue of shares	5 February 2020	250,000	50,000
Issue of shares	27 February 2020	1,250,000	-
Issue of shares	27 May 2020	<u>106,250</u>	<u>21,250</u>
Balance	30 June 2020	<u>12,606,250</u>	<u>276,251</u>

The 5,000,000 shares issued on 2 December 2019 and the 1,250,000 shares issued on 27 February 2020 have been issued in accordance with the anti-dilution clause 8.6 within the Shareholders Agreement.

Note 10. Equity - accumulated losses

	2020 \$
Accumulated losses at the beginning of the financial year	-
Profit/(Loss) after income tax expense for the year	<u>(315,278)</u>
Accumulated losses at the end of the financial year	<u>(315,278)</u>

Note 11. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by PKF Perth, the auditor of the company:

<i>Audit services – PKF Perth</i>	
Audit of the financial statements	4,750
<i>Other services – PKF Perth</i>	
	<u>7,300</u>
	<u>12,050</u>

Note 12. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not seen any financial impact for the company up to 30 June 2020, 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 matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the entity's state of affairs in future financial years.

Note 13. Key management personnel disclosures

Compensation

The aggregate compensation made to the directors of the company is set out below:-

	2020 \$
Aggregate compensation	<u>-</u>

Note 14. Fair value measurements

The carrying amounts of cash, trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Note 15. Exploration commitments

The company has certain obligations to perform minimum exploration work and expend minimum amounts on works on mining tenements in order to retain its interests in these tenements, which would be approximately \$283,000 during the next twelve months from the reporting date. There are no commitments beyond 12 months in relation to tenements. These obligations may be varied from time to time, subject to approval and are expected to be fulfilled in the normal course of operations of the company.

Victory Goldfields Pty Ltd
Directors' declaration
30 June 2020

In the directors' opinion:

- the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Victory Goldfields Pty Limited;
- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards – Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the period ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Brendan Clark
Chairperson

22 January 2021
Perth, Western Australia

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VICTORY GOLDFIELDS PTY LTD

Report on the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report, of Victory Goldfields Pty Ltd (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the cash flow statement for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration of the Company.

In our opinion, the accompanying financial report of the Company presents fairly, in all material respects, the financial position of Victory Goldfields Pty Ltd as at 30 June 2020 and its financial performance for the period then ended in accordance with the accounting policies described in Note 1 to the financial report.

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 Responsibility section of our report.

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

Independence

We are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the entity's Constitution. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Going Concern

Without modifying our opinion, we draw attention to Note 1 of the financial report which indicates the company has net liabilities of \$39,027 as at 30 June 2020 and incurred a loss of \$315,278 and net operating cash outflows of \$240,401 for the period ended 30 June 2020. These conditions along with other matters in note 1, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial report of the company does not include any adjustments in relation to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

Level 4, 35 Havelock Street, West Perth, WA 6005
PO Box 609, West Perth, WA 6872
T: +61 8 9426 8999 F: +61 8 9426 8900 www.pkfperth.com.au

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Liability limited by a scheme approved under Professional Standards Legislation.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the company's annual report for the period ended 30 June 2020, 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. In doing so, we consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Directors' Responsibilities for the Financial Report

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

In preparing the financial report management is responsible for assessing the Company's ability 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 Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



PKF PERTH



SHANE CROSS
PARTNER

22 JANUARY 2021
WEST PERTH,
WESTERN AUSTRALIA