

Victory Goldfields Pty Ltd

ABN 81 637 204 892

Interim Report – For the period ended 31 December 2020

Victory Goldfields Pty Ltd
ABN 81 637 204 892
Directors' report
31 December 2020

The directors present their report, together with the financial statements, on the company for the period ended 31 December 2020.

Directors

The following persons were directors of the company during the period 1 July 2020 to 31 December 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 (\$163,023).

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 July 2020 to 31 December 2020.

Matters subsequent to the end of the 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 31 December 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 31 December 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 second 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.

Minutes of directors

During the period ended 31 December 2020 the company's Board of Directors ("the Board") did not hold a formal meeting.

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 31 December 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 period, 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 31 December 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

29 March 2021
Perth, Western Australia

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF VICTORY GOLDFIELDS PTY LTD

In relation to our review of the financial report of Victory Goldfields Pty Ltd for the half year ended 31 December 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

29 MARCH 2021
WEST PERTH
WESTERN AUSTRALIA

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Victory Goldfields Pty Ltd
ABN 81 637 204 892
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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 29 March 2021. The directors have the power to amend and reissue the financial statements.

Victory Goldfields Pty Ltd
ABN 81 637 204 892
Statement of profit or loss and other comprehensive income
For the period ended 31 December 2020

		For the period ended 31 December 2020 \$	For the period ended 31 December 2019 \$
	Note		
Revenue		-	-
Expenses			
Advertising expenses		(238)	-
Amortisation		(83)	(21)
Audit fees		(6,455)	-
Depreciation charges		-	-
Royalties		-	(20,000)
Tenement Expenses		(144,475)	(81,128)
Other expenses	2	(11,772)	-
Profit/(Loss) before income tax expense		(163,023)	(101,149)
Income tax expense/(benefit)		-	-
Profit/(Loss) after income tax expense for the period		<u>(163,023)</u>	<u>(101,149)</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
ABN 81 637 204 892
Statement of financial position
As at 31 December 2020

	Note	31 December 2020 \$	30 June 2020 \$
Current assets			
Cash and cash equivalents		6,792	22,243
Prepayments		2,082	3,884
Other receivables	3	9,798	23,040
Total current assets		<u>18,672</u>	<u>49,167</u>
Non-current assets			
Intangibles		577	660
Total non-current assets		<u>577</u>	<u>660</u>
Total assets		<u>19,249</u>	<u>49,827</u>
Current liabilities			
Trade payables		185,614	75,774
Borrowings	4	25,235	704
Accruals		10,450	12,376
Total current liabilities		<u>221,299</u>	<u>88,854</u>
Total liabilities		<u>221,299</u>	<u>88,854</u>
Net liabilities		<u>(202,050)</u>	<u>(39,027)</u>
Equity			
Issued capital	5	276,251	276,251
Accumulated losses	6	<u>(478,301)</u>	<u>(315,278)</u>
Total equity		<u>(202,050)</u>	<u>(39,027)</u>

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

Victory Goldfields Pty Ltd
ABN 81 637 204 892
Statement of changes in equity
For the period ended 31 December 2020

	Issued capital	Accumulated losses	Total equity
Balance at 1 July 2020	<u>276,251</u>	<u>(315,278)</u>	<u>(39,027)</u>
Issued capital	-	-	-
(Loss) after income tax expense for the period	<u>-</u>	<u>(163,023)</u>	<u>(163,023)</u>
Balance at 31 December 2020	<u>276,251</u>	<u>(478,301)</u>	<u>(202,050)</u>
Balance at incorporation	<u>-</u>	<u>-</u>	<u>-</u>
Issued capital	5,001	-	5,001
(Loss) after income tax expense for the period	<u>-</u>	<u>(101,149)</u>	<u>(101,149)</u>
Balance at 31 December 2019	<u>5,001</u>	<u>(101,149)</u>	<u>(96,148)</u>

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

Victory Goldfields Pty Ltd
ABN 81 637 204 892
Statement of cash flows
For the period ended 31 December 2020

	31 December 2020 \$	31 December 2019 \$
Cash flows used in operating activities		
Payments to suppliers and employees	(58,593)	-
Tax refunded	18,612	-
Net cash used in operating activities	(39,981)	-
Cash flows used in investing activities		
Payments for property, plant and equipment	-	-
Net cash used in investing activities	-	-
Cash flows from financing activities		
Proceeds from borrowings	25,000	-
Repayment of borrowings	(470)	-
Net cash from financing activities	24,530	-
Net (decrease)/increase in cash and cash equivalents	(15,451)	-
Cash and cash equivalents at the beginning of the period	22,243	-
Cash and cash equivalents at the end of the period	6,792	-

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 periods 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.

Basis of preparation

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and Australian Accounting Standard AASB 134 'Interim Financial Reporting' as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, these financial statements are to be read in conjunction with the financial report for the year ended 30 June 2020 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's financial report for the financial period ended 30 June 2020, except for the impact of the Standards and Interpretations described above.

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 \$202,050 as at 31 December 2020 (30 June 2020: \$39,027) and incurred a loss of \$163,023 (31 December 2019: \$101,149) and net operating cash outflows of \$39,981 (31 December 2019: NIL) for the period ended 31 December 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 2. Other expenses

	31 December 2020	31 December 2019
	\$	\$
Bank charges	(60)	-
Filing fees	(613)	-
Insurance	(1,802)	-
Legal costs	(1,570)	-
Professional fees	(7,550)	-
Telephone	(177)	-
	<u>(11,772)</u>	<u>-</u>

	31 December 2020	30 June 2020
	\$	\$

Note 3. Current assets - Other receivables

GST Refundable	<u>9,798</u>	<u>23,040</u>
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Note 4. Current liabilities – Borrowings

Related party loan	25,000	705
Loan - unsecured	<u>235</u>	<u>-</u>
	<u>25,235</u>	<u>705</u>

A loan of \$25,000 was extended to the Company from a related party during the period ended 31 December 2020. The loan is interest free and repayable by 31 December 2021.

Note 5. Equity - issued capital

	31 December 2020 Shares	31 December 2020 \$	30 June 2020 Shares	30 June 2020 \$
Ordinary shares – fully paid	<u>12,606,250</u>	<u>276,251</u>	<u>12,606,250</u>	<u>276,251</u>

Movements in share capital

Details	Date	Shares	\$
Opening Balance	01 July 2020	12,606,250	276,251
Movement		-	-
Balance	31 December 2020	<u>12,606,250</u>	<u>276,251</u>

Note 6. Equity - accumulated losses

	31 December 2020 \$	30 June 2020 \$
Accumulated losses at the beginning of the period	(315,278)	-
Loss after income tax expense for the period	<u>(163,023)</u>	<u>(315,278)</u>
Accumulated losses at the end of the period	<u>(478,301)</u>	<u>(315,278)</u>

Note 7. 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 31 December 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 31 December 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 periods.

Note 8. 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 9. 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 \$404,000 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
ABN 81 637 204 892
Directors' declaration
31 December 2020

In the directors' opinion:

1. The Financial Statements and notes thereto, comply with the *Corporations Act 2001* including:
 - (a) complying with Australian Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
 - (b) giving a true and fair view of the financial position of the company as at 31 December 2020 and of its performance for the financial half year ended on that date.
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a Resolution of the Board of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors:



Brendan Clark
Chairperson

29 March 2021
Perth, Western Australia

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VICTORY GOLDFIELDS PTY LTD

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Victory Goldfields Pty Ltd (the company) which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Victory Goldfields Pty Ltd is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the 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.

Material Uncertainty Related to Going Concern

Without qualifying our conclusion, we draw attention to Note 1 in the financial report in which indicates that the company has net liabilities of \$202,050 as at 31 December 2020 and incurred a loss of \$163,023 and net operating cash outflows of \$39,981 for the period ended 31 December 2020. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which 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, and at the amounts stated in the financial report.

Independence

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 (including Independence Standards) (the Code) 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.

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Directors' Responsibility for the Half-Year Financial Report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Act 2001 and for such internal controls 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 Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, 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 company'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 Corporation Regulations 2001.

As the auditor of Victory Goldfields Pty Ltd during the half year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.



PKF PERTH



SHANE CROSS
PARTNER

29 MARCH 2021
WEST PERTH,
WESTERN AUSTRALIA