



Annual Report

2020



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CORPORATE DIRECTORY

Directors		Registered and Principal Office	
Mark Calderwood Executive Chairman		Ground Floor, 24 Outram Street West Perth WA 6005	
Michael Naylor Non-Executive Director		Telephone: 08 9489 2670 Email: admin@midasminerals.com	
Mark Turner Non-Executive Director		Website: www.midasminerals.com	
Company Secretary		Share Registry	
Nicholas Katris		Computershare Investor Services Pty Limited Level 11, 172 St Georges Terrace Perth WA 6000 Telephone: 1300 850 505	
Auditor		Australian Business Number	
Ernst & Young 11 Mounts Bay Rd Perth WA 6000		33 625 128 770	
Solicitors			
HWL Ebsworth Lawyers Level 20, 240 St Georges Terrace Perth WA 6000			



CHAIRMAN'S MESSAGE TO SHAREHOLDERS

Dear Shareholder,

It gives me great pleasure to present the 2020 Annual Report for Midas Minerals Ltd formerly known as Cowan Lithium Limited.

2020 was a challenging but formative year for the Company, despite being cash constrained for most of the year management has been actively progressing the Company.

In April, due to capital constraints, the Company commenced a sales process for the Cowan project. During the second half of year the Company was successful in disposing of the Cowan project for \$3m (net of GST) and at the same time free itself from the significant statutory expenditure commitment associated with maintaining the tenure.

This has provided a strong platform for the Company to acquire a more advanced and diversified project portfolio.

Late in 2020, the Company had identified, completed due diligence, and negotiated terms on three projects with the agreements completed in early 2021.

Weebo Project - Located in the Yandal greenstone belt, prospective for gold and nickel.

Challa Project - Located in the Windimurra greenstone belt, prospective for gold, palladium-platinum, copper, nickel, lithium and other metals.

Sunset Well – Located 10km east of Leonora, prospective for gold.

Further information will be provided on the projects as the Company prepares work programs for the year ahead.

The Company also maintains its free carried indirect 6.76% equity in the undeveloped, world class Avontuur Manganese Project in South Africa.

As at 31 December the Company had \$3.4 million in cash and 29.4 million shares on issue.

I look forward to 2021 as the Company is now well placed with drill ready projects that have the potential to provide positive momentum in shareholder value.

Yours sincerely

Mark Calderwood
Executive Chairman



DIRECTORS' REPORT

The directors of Midas Minerals Ltd ("Midas" or "the Company") formerly Cowan Lithium Limited and its controlled entities (collectively, the Group) present their annual report together with the financial statements of the Group for the year ended 31 December 2020.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

EXECUTIVE CHAIRMAN

Mark Calderwood (appointed 23 March 2018)

Mr Calderwood is a Chartered Professional Member of the Australasian Institute of Mining and Metallurgy. He has extensive experience in mineral exploration, in particular gold and lithium exploration. Mr Calderwood was Managing Director of Perseus Mining Limited from 2004 to 2013 and was instrumental in the transition from an explorer to producer and a period which saw the junior explorer mature to an ASX100 company.

He held key roles in the world class gold discoveries of Tarmoola (King of the Hills) in WA, Moto (Kibali) in DRC and Edikan in Ghana.

Other current Directorships:

None

Previous Directorships (last 3 years):

Manas Resources Limited
(from October 2007 to October 2019).
Tawana Resources Limited
(from October 2016 to December 2018)
Alita Resources Limited
(December 2018 to September 2019)
Amani Gold Limited
(from August 2014 to January 2018)

NON-EXECUTIVE DIRECTOR

Michael Naylor (appointed 23 March 2018)

Michael has 24 years' experience in corporate advisory and public company management since commencing his career and qualifying as a Chartered Accountant with Ernst & Young. He has been involved in the financial management of mineral and resources focused public companies, serving on both the Board and Executive Management Team. He has significant experience in focusing on advancing and

developing mineral resource assets and business development.

Michael is currently a executive director of Bellevue Gold Ltd, and joint Company Secretary. He is currently a non-executive director of Auteco Minerals Ltd, Company Secretary for Cygnus Gold Ltd and Alicanto Minerals Ltd.

Michael has worked in Australia and Canada and has extensive experience in financial reporting, capital raisings, debt financings and treasury management of resource companies.

Other current Directorships:

Bellevue Gold Limited (since July 2018)
Auteco Minerals Ltd (since November 2018)

Previous Directorships (last 3 years):

Tawana Resources NL
(from 1 January 2015 to 31 October 2017)
Equator Resources Limited
(from 15 February 2016 to 15 February 2017)
Helix Resources Limited
(from 28 November 2016 to 16 February 2018)

NON-EXECUTIVE DIRECTOR

Mark Turner (appointed 23 March 2018)

Mark is a Mining Engineer with more than 30 years' experience in the resources sector. He has been responsible for the start-up and operation of mines in Australia, Africa and Asia. He was previously General Manager Operations of Resolute Mining Ltd, Chief Operating Officer of CGA Mining, before its takeover by B2 Gold for C\$1.1 billion in 2010.

Other current Directorships:

None

Previous Directorships (last 3 years):

Alita Resources Limited (from August 2017 to September 2019).



INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY

As at the date of this report, the interests of the directors in the shares and options were:

	Number of ordinary shares	Number of options over ordinary shares	Number of performance rights over ordinary shares
Mark Calderwood	2,949,935	1,066,667	266,667
Mark Turner	30,030	133,333	33,333
Michael Naylor	1,294,445	400,000	100,000

COMPANY SECRETARY

Nicholas Katris

Appointed as Company Secretary on 13 November 2019.

Nick is a Chartered Accountant with over 14 years of experience predominantly within the resources sector, operating in Australia, Canada, Europe and Africa.

Nick has been involved in the accounting and financial management of exploration activities, feasibility studies and has dealt with multiple commodities including gold, base metals, & precious metals. He is involved in business development, joint ventures, structuring and corporate governance.

Nick is currently the Chief Financial Officer & Company Secretary for Auteco Minerals Limited and was previously the Financial Controller for Bellevue Gold Limited, Cygnus Gold Ltd and African Gold Limited.

DIVIDENDS

No dividend was paid or declared by the Company in the financial period and up to the date of this report.

PRINCIPAL ACTIVITIES

The planned principal activities of the Company consists of exploration and evaluation of mineral resources.

OPERATING AND FINANCIAL REVIEW

Cowan & Serendipity, Lithium-Tantalum, Gold Projects, Western Australia

The Cowan Lithium-Tantalum, Gold Project, comprised of eight exploration licences (100%) and the adjoining Serendipity JV (51%) comprised two exploration licences. The project area located in the Eastern Goldfields district of Western Australia, approximately 50 km south-east of Kambalda, close to the Bald Hill Mine Lithium and Tantalum Mine (currently in care and maintenance).

Due to limited cash, the lack of interest in the lithium/tantalum sector at the time and a minimum annual exploration commitment of about \$700,000 the Company sought expressions of interest and completed a competitive sales process. The process was successful with the project selling for \$3,300,000.

Avontuur Manganese Project, South Africa (Free Carried 6.76%)

The Avontuur Manganese Project ("Avontuur") is located adjacent to the World's premier manganese producing area, the Kalahari Manganese Field ("KMF") in the Northern Cape Province of South Africa. The Gravenhage Manganese Deposit ("Gravenhage Deposit") is situated at the northern end of Avontuur, approximately 30km north of the KMF.

The Project is owned 74% by Baosteel controlled Aquila Resources, Midas has 26% of Rakana Consolidated Mining Pty Ltd, which has a 6.76% free carried interest in Avontuur. The most recent Mineral Resource Estimate (JORC, 2012) was completed for the Gravenhage Manganese Deposit in 2013, with a Resource of 111.7Mt at 38.5% Mn. The Measured and Indicated Resource categories comprise 92.3Mt. The broader Avontuur area contains Mineral Resource Estimates (JORC, 2004 and 2012) totalling 141.7Mt at 38.4% Mn.



Aquila completed a DFS for the Gravenhage Deposit, based on a JORC-compliant initial Reserve of 20Mt grading 40.1% Mn. The DFS proposes a 1.5Mtpa ROM open cut followed by underground operation. Aquila's mining right application for the Gravenhage Project had been pending for several years. A Mining Right has recently been granted and Aquila is now considering next steps.

Significant changes in the state of affairs

There have been no changes in the state of affairs of the Company other than those outlined in the Review of Operations.

CORPORATE

Share Placement

In April 2020 the Company had raised \$135,166 through a placement of 1.7 million fully paid ordinary shares at an issue price of 8 cents per share to sophisticated, and professional investors.

The Company signed an option agreement with Serendipity Resources Pty Ltd to acquire exploration licences subject to a period of due diligence during November 2019 to January 2020. The option was exercised in January 2020 and as part of terms to earn 51% of the tenements the Company was required to issue 400,000 fully paid ordinary shares at deemed issue price of 10 cents per share.

Sale of Mofe Creek

In August 2020, the Company was due to receive the final consideration of \$250,000 for the Mofe Creek Iron Ore Project, this amount was varied from \$250,000 to \$200,000 due to Covid-19 restrictions on the project. An impairment of \$50,000 has been recognised at 31 December 2020.

REVIEW OF FINANCIAL PERFORMANCE

Operating results

The Group profit for the year ended 31 December 2020 after providing for income tax amounted to \$671,284 (2019: Loss \$1,715,217). The profit was predominantly attributed to the gain on sale of the exploration and evaluation asset of \$909,754.

Review of financial position

At 31 December 2020, the Group's cash balance totalled \$3,421,853 (2019: \$220,400) and net assets totalling \$3,037,097 (2019: \$2,190,647).

Significant events after the reporting date

Change of Company Name

The Company changed its name from Cowan Lithium Limited to Midas Minerals Ltd after shareholders approved the change at the general meeting held on the 12 March 2021.

Weebo Option

On 24 January 2021, the Company signed an option agreement with vendors over exploration licences totalling about 198km².

The Company has paid an option fee inclusive of refund of rents and rates of \$87,647 and issued 600,000 shares at 10 cents.

At any time during the 12-month option period, the Company can acquire 100% of the tenements under option by payment \$600,000. If purchased, the vendors would hold a 1.5% gross revenue royalty.

The Company can extend the option for up to 48 months from execution, by annual payments of \$60,000.

The Company is obliged to keep the tenements in good standing and has the right to reduce the number of tenements under option.

The vendors have the right to continue to recover alluvial gold including nuggets and specimens.



Challa-Sunset Agreement

On 18 January 2021, the Company signed an agreement with vendors relating to applications for exploration licences totalling 859km² in the Midas subsidiary Marigold Minerals Pty Ltd (Challa Project) and a granted prospecting licence held by a vendor (Sunset Project).

The agreement required the vendors withdraw four applications that were held over the Challa Project area, which have all now been withdrawn.

On approval of three of Marigold Pty Ltd's exploration licence applications (two of which have already been granted), the Company will issue the vendors 1,000,000 shares and 600,000 options in Midas. The options will have an exercise price of 20 cents.

Upon issue of shares and options, the Company will acquire prospecting licence (Sunset Project) at no additional cost.

The Vendors will hold a 0.75% gross revenue royalty over the Challa project and a 1.0% gross revenue royalty over Sunset project.

There has been no other matter or circumstance occurring subsequent to end of the financial year that has significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in the future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company is committed to realising value from the exploration assets acquired.

Other likely future developments in the activities of the Company are referred to in the review of operations section of this report.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company is aware of its environmental obligations with regard to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work. The directors have considered the National Greenhouse and Energy Reporting Act 2007 ('the NGER Act') and at the current stage of development and based on

the locations of the Company's operations, the directors have determined that the NGER Act will have no effect on the Entity for the current or subsequent financial year.

The directors will reassess this position as and when the need arises. No environmental breaches have occurred or have been notified by any Government agencies during the year ended 31 December 2020.

SHARE OPTIONS

During or since the end of the reporting period, the Company did not issue any options or performance rights.

SHARES ISSUED DURING OR SINCE THE END OF THE YEAR AS A RESULT OF EXERCISE

During or since the end of the reporting period, the Company did not issue any ordinary shares as a result of no exercise of options occurred during the period.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The company has entered into an agreement to indemnify all directors and officers against any liability arising from a claim brought by a third party against the company. The company has paid premiums to insure each director and officer against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director and officer of the company, other than as a result of conduct involving a wilful breach of duty in relation to the company.



INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount).

No payment has been made to indemnify Ernst & Young during or since the financial year.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or 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 any part of these proceedings.

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

NON-AUDIT SERVICES

The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors ensure that:

Non-audit services are reviewed and approved by the directors to ensure that the provision of such services does not adversely affect the integrity and objectivity of the auditor; and

Audit services do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The total remuneration for audit and non-audit services provided during the current financial year is set out in notes of the financial statements.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires the Group's auditors to provide the Directors of Cowan Lithium Limited with an Independence Declaration in relation to the audit of the financial report. A copy of that declaration is included at page 11 of this report.

Signed in accordance with a resolution of the Board of Directors.

Mr Mark Calderwood

Executive Chairman

Perth, Western Australia - 16 April 2021



FORWARD LOOKING STATEMENT

This report may contain certain forward-looking statements and projections regarding estimated, resources and reserves; planned production and operating costs profiles; planned capital requirements; and planned strategies and corporate objectives. Such forward looking statements/ projections are estimates for discussion purposes only and should not be relied upon. They are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors many of which are beyond the control of Midas Minerals Ltd. The forward-looking statements/projections are inherently uncertain and may therefore differ materially from results ultimately achieved.

Midas does not make any representations and provides no warranties concerning the accuracy of the projections and disclaims any obligation to update or revise any forward looking statements/projects based on new information, future events or otherwise except to the extent required by applicable laws. While the information contained in this report has been prepared in good faith, neither Midas or any of its directors, officers, agents, employees or advisors give any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this report. Accordingly, to the maximum extent permitted by law, none of Midas, its directors, employees or agents, advisers, nor any other person accepts any liability whether direct or indirect, express or limited, contractual, tortuous, statutory or otherwise, in respect of, the accuracy or completeness of the information or for any of the opinions contained in this report or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this report.

COMPETENT PERSONS STATEMENT

The information in annual report that relates to Exploration Results is based on and fairly represents information and supporting documentation compiled by Mr Mark Calderwood a Director of Midas Minerals Ltd ("Midas"). Mr Calderwood is a member of The Australasian Institute of Mining and Metallurgy. Mr Calderwood has sufficient experience relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Calderwood consents to the inclusion in this report of the matters based on their information in the form and context in which it appears. Mr Calderwood is a significant shareholder in Midas. Mr Calderwood and Midas do not consider these to constitute a potential conflict of interest to his role as Competent Person. Mr Calderwood is not aware of any other relationship with Midas which could constitute a potential for a conflict of interest.



AUDITOR'S INDEPENDENCE DECLARATION



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Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

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Auditor's Independence Declaration to the Directors of Midas Minerals Limited

As lead auditor for the audit of the financial report of Midas Minerals Limited (formerly Cowan Lithium Limited) for the financial year ended 31 December 2020, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Midas Minerals Limited and the entities it controlled during the financial year.

Ernst & Young

R J Curtin
Partner
16 April 2021

RC:CS:CWL:006



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Notes	31 December 2020 \$	31 December 2019 \$
Gain on sale of exploration and evaluation assets	9	909,754	-
Other Income		41,604	-
Accounting and audit expenses		(44,430)	(39,494)
Consulting and contracting expenses		(34,668)	(42,628)
Employee benefits expense		(114,072)	(157,592)
Exploration expenditure expensed and written off	9	(712)	(59,935)
Impairment exploration and evaluation asset	9	-	(1,364,378)
Impairment of receivable	8.a	(50,000)	-
Listing and compliance		(21,975)	(15,165)
Loss on disposal of a subsidiary		-	(7,398)
Foreign exchange loss		-	(544)
Office rental and outgoings		(163)	(4,816)
Other expenses		(28,008)	(44,739)
Results from operating activities		657,330	(1,736,689)
Finance income	4	13,954	21,472
Profit/(Loss) before tax		671,284	(1,715,217)
Income tax expense	5	-	-
Profit/(Loss) after tax		671,284	(1,715,217)
Other comprehensive income			
Other comprehensive profit/(loss) for the period, net of tax		-	-
Total comprehensive profit/(loss) for the period		671,284	(1,715,217)
Earnings/(Loss) per share attributable to the Members of Midas Minerals Ltd			
Basic earnings/(loss) per share (cents per share)	6	2.34	(4.45)
Diluted earnings/(loss) per share (cents per share)	6	2.34	(4.45)

The above should be read in conjunction with the accompanying notes.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Notes	2020 \$	2019 \$
Assets			
Current Assets			
Cash & cash equivalents	7	3,421,853	220,400
Other receivables	8	-	245,758
Prepayments		11,241	13,203
Total current assets		3,433,094	479,361
Non-current assets			
Exploration and evaluation assets	9	64,921	1,784,582
Total non-current assets		64,921	1,784,582
Total assets		3,498,015	2,263,943
Liabilities			
Current Liabilities			
Trade and other payables	10	439,018	60,592
Provisions for employee benefits		15,162	12,704
Total Current Liabilities		454,180	73,296
Non-Current Liabilities			
Provisions for employee benefits		6,738	-
Total Non-Current Liabilities		6,738	-
Total liabilities		460,918	73,296
Net assets		3,037,097	2,190,647
Equity			
Contributed equity	11	5,006,160	4,830,994
Accumulated losses		(1,969,063)	(2,640,347)
Total equity		3,037,097	2,190,647

The above should be read in conjunction with the accompanying notes.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	Notes	Contributed equity \$	Accumulated losses \$	Total equity \$
As at 1 January 2019		4,333,553	(925,130)	3,408,423
Loss for the year		-	(1,715,217)	(1,715,217)
Other comprehensive income		-	-	-
Total comprehensive loss		-	(1,715,217)	(1,715,217)
Transactions with owners				
Issue of share capital	11	515,000	-	515,000
Less capital raising costs		(17,559)	-	(17,559)
Balance at 31 December 2019		4,830,994	(2,640,347)	2,190,647
As at 1 January 2020		4,830,994	(2,640,347)	2,190,647
Profit for the year		-	671,284	671,284
Other comprehensive income		-	-	-
Total comprehensive profit		-	671,284	671,284
Transactions with owners				
Issue of share capital	11	135,166	-	135,166
Less capital raising costs		-	-	-
Shares issued for the acquisition of tenements	11	40,000	-	40,000
Balance at 31 December 2020		5,006,160	(1,969,063)	3,037,097

The above should be read in conjunction with the accompanying notes.



CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	Notes	31 December 2020 \$	31 December 2019 \$
Cash Flows from operating activities			
Payment to suppliers and employees		(206,038)	(207,988)
Interest received		738	1,384
Other income		41,604	-
Payment for exploration and evaluation expenditure		(712)	-
Net cash used in operating activities	7.a	(164,408)	(206,604)
Cash Flows from investing activities			
Proceeds from the sale of subsidiary		200,000	230,000
Payments for the sale of subsidiary		-	(22,727)
Proceeds from the sale of tenements		3,300,000	-
Payments for acquisition tenements		-	(15,000)
Payments for the acquisition of Serendipity Project		-	(10,000)
Payment for exploration and evaluation expenditure		(269,305)	(443,121)
Net cash from/(used in) investing activities		3,230,695	(260,848)
Cash Flows from financing activities			
Proceeds from share issuances		135,166	500,000
Share issue transaction costs		-	(17,559)
Net cash provided by financing activities		135,166	482,441
Net decrease in cash and cash equivalents		3,201,453	14,989
Cash and cash equivalents at 1 January		220,400	205,411
Cash and cash equivalents at 31 December	7	3,421,853	220,400

The above should be read in conjunction with the accompanying notes.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

BASIS OF PREPARATION

1. GENERAL INFORMATION

Midas Minerals Ltd (formerly Cowan Lithium Limited) ("Midas" or "the Company") is a for-profit company limited by shares incorporated and domiciled in Australia. The consolidated financial report of the Company for the year ended 31 December 2020 comprises the Company and its controlled entities ("the Group").

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

The financial report comprises of:

- consolidated financial statements for the year ended 31 December 2020;
- notes to the consolidated financial statements; and
- the Directors' declaration about the statements and notes.

The consolidated general-purpose financial report for the Group for the year ended 31 December 2020 was authorised for issue by the Directors on 16 April 2021. The Directors have the power to amend and reissue the financial report.

The financial statements are general purpose financial statements which:

- have been prepared in accordance with the requirements of the *Corporations Act 2001 (Cth)*, Australian Accounting Standards and Interpretations issued by the Accounting Standards Board ("AASB"). The consolidated financial statements also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB");
- have been prepared on a historical cost basis except for the revaluation of financial instruments that are measured fair value at each reporting period;
- adopt all new and amended Australian Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 January 2020;
- there are no new accounting standards and interpretations which have been issued but not yet effective which would have a material impact on the entity in the current or future reporting periods;
- do not early adopt any Australian Accounting Standards and Interpretations issued or amended by the AASB but not yet effective, and
- are presented in Australian Dollars, being the Company's functional currency.

In preparing the financial report for the year ended 31 December 2020, the Company has made a number of changes in structure, layout and wording in order to make the report less complex and more relevant for shareholders and other users. Significant and other accounting policies that summarise the measurement basis used and are relevant to aiding an understanding of the financial statements are provided throughout the notes to the financial statements.



BASIS OF PREPARATION

The notes to the consolidated financial statements are grouped into the following five categories:

1. Basis of preparation;
2. Key numbers;
3. Risk management;
4. Group structure; and
5. Other information.

a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent entity, Midas Minerals Limited, and its controlled entities. A list of controlled entities is contained in Note 14 to the consolidated financial statements. All controlled entities have a 31 December financial year end.

In preparing the consolidated financial statements, all inter-company balances and transactions, income and expenses and profits and losses resulting from intra-group transactions have been eliminated.

Subsidiaries are consolidated from the date on which control is obtained to the date on which control is disposed. The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

b) Key estimates and judgements

In preparing the consolidated financial statements, management has made a number of judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates are based on management's experience and knowledge of relevant facts and circumstances at that time. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Key accounting estimates and judgements which are material to the financial report are found in the following sections:

Note 5 Income Tax;

Note 8 Trade and other receivables; and

Note 9 Exploration and Evaluation.



KEY NUMBERS

3. OPERATING SEGMENT

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The company operates in one segment being Exploration and Evaluation of Minerals in Australia.

4. FINANCE INCOME

	Notes	2020 \$	2019 \$
Interest Income		738	1,384
Interest income from unwind of present value	8.a	13,216	20,088
		13,954	21,472

5. INCOME TAX

Numerical reconciliation of income tax expenses to prima facie tax payable

	2020 \$	2019 \$
Accounting profit/(loss) before tax	671,284	(1,715,217)
Income Tax Expense to Accounting Profit		
Tax at the Australian tax rate of 27.5% (2019: 27.5%)	184,603	(471,685)
Deferred tax assets (utilised)/not brought to account	(184,603)	471,685
Income tax (expense) reported in the statement of comprehensive income	-	-
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
Unrecognised deferred tax asset losses	258,897	242,930
Unrecognised deferred tax asset other	18,640	15,261
Unrecognised deferred tax liability other	(81,423)	(167,113)
	196,114	91,078

a) Recognition and measurement

The income tax expense or benefit for the year is the tax payable on the current year's taxable income based on the tax rate, which is adjusted by deferred tax expense which reflects the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.



KEY NUMBERS

i) Current income tax

The current income tax expense is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

ii) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

iii) Tax consolidation

Midas and its wholly-owned Australian controlled entities have formed an income tax consolidated group under the tax consolidation legislation. The head entity, Midas and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts, as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

Midas recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Midas for any current tax payable assumed and are compensated by Midas for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Midas. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements. Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the group. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

b) Key estimates and judgements

Management has assessed the probability that sufficient future taxable income (including the reversal of taxable temporary differences) will be generated to utilise the carried forward tax losses. Management has concluded that recognition of deferred tax assets is not appropriate, given the exploration stage of the operations and has not recognised deferred tax assets of \$941,445 (2019: \$1,364,134).



KEY NUMBERS

6. EARNINGS/(LOSS) PER SHARE

	2020 \$	2019 \$
Profit/(loss) Loss attributable to the ordinary equity holders of the Company	671,284	(1,715,217)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted loss per share	28,699,407	38,528,074
Basic & diluted earnings/(loss) per share (cents per share)	2.34	(4.45)

The Performance Rights and Options with the potential to be converted to ordinary shares are not included in the calculation of diluted loss per share as they are antidilutive.

7. CASH AND CASH EQUIVALENTS

	2020 \$	2019 \$
Cash on hand and at bank	3,421,853	220,400

a) Reconciliation of net cash outflows from operating activities to loss before income tax

	2020 \$	2019 \$
Profit/(Loss) for the year	671,284	(1,715,217)
Add/(less): non-cash items		
Gain on sale of exploration and evaluation assets	(909,754)	-
Impairment of receivable	50,000	-
Impairment of Exploration and evaluation assets	-	1,364,378
Loss on disposal of a subsidiary	-	7,398
Discount unwind on deferred consideration	(13,216)	(20,088)
Written off Exploration and evaluation assets and expenses	-	59,935
Change in operating assets and liabilities		
Decrease/(increase) in other receivables	14,577	88,880
(Decrease)/increase in employee entitlement provisions	9,195	7,440
(Decrease)/increase in creditors and accruals	13,506	670
Net cash used in operating activities	(164,408)	(206,604)

b) Recognition and measurement

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes deposits at call with financial institutions, term deposits, cash at bank and in transit, all of which are used in the cash management function on a day-to-day basis.



KEY NUMBERS

8. OTHER RECEIVABLES

	2020 \$	2019 \$
Other receivables	-	8,974
Deferred consideration receivable	-	236,784
Total	-	245,758

Accounting policy on classification and measurement of other receivables are detailed in Note 13.

a) Change to the consideration receivable

The movement in the deferred consideration is as follows:

	2020 \$	2019 \$
Deferred consideration receivable	236,784	216,696
Interest income from unwind of present value	13,216	20,088
Impairment of receivable	(50,000)	-
Cash received	(200,000)	-
Total deferred consideration receivable	-	236,784



KEY NUMBERS

9. EXPLORATION AND EVALUATION

	2020 \$	2019 \$
Opening balance at 1 January	1,784,582	2,764,802
Amount capitalised during the period	263,937	406,765
Acquisition of tenements – Challa Gold Project	64,921	-
Acquisition of tenements – Cowan Project	-	15,000
Acquisition of tenements - Serendipity Project	40,000	9,092
Write off exploration expenditure assets	-	(46,699)
Impairment exploration and evaluation assets	-	(1,364,378)
Disposal of tenements held by subsidiary Mount Belches Pty Ltd	(2,088,519)	-
Carrying amount at 31 December	64,921	1,784,582

The table below provides details of the pre-tax net gain on sale recognised in the statement of profit or loss as a result of the disposal of the tenements held in Mount belches Pty Ltd:

	2020 \$
Proceeds on sale	3,000,000
Transaction costs	(1,727)
Carrying value of exploration and evaluation assets sold	(2,088,519)
Net gain on sale tenements	909,754

a) Recognition and measurement

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

The recoverability of the Groups interest in exploration expenditure is dependent upon;

- the continuance of the Group's rights to tenure of the areas of interest;
- the results of future exploration; and,
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.



KEY NUMBERS

b) Impairment

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest, as well as to determine if events or changes in circumstances indicate that the carrying value may not be recoverable.

In the event that an area of interest is abandoned or, if facts and circumstances suggest that the carrying amount of an exploration and evaluation asset is impaired, then the accumulated costs carried forward are written off in the year in which the assessment is made.

c) Key estimates and judgements

Judgement is required to determine whether future economic benefits are likely to flow to the Group, from either the exploitation or sale of the area of interest.

Mount Belches tenement sale

The transaction for the sale of all the tenements held in the wholly own subsidiary Mount Belches required the Group to exercise judgement in determining the carrying value of exploration and evaluation assets sold. As the assets sold represent all the area of interest held by Mount Belches, the judgement was to allocate all historical costs carried forward to the disposal.

Where an area of interest is determined to not be commercially viable or should be abandoned, all costs that have been capitalised in respect of that area of interest are impaired and written off. In determining this, the right to tenure as well as budgeted and planned expenditure in the area of interest, are considered.

At 31 December 2020, there are no impairment triggers as existing cash will be utilised to conduct exploration programmes areas of interest for the tenement applications applied for the Challa Gold Project.



KEY NUMBERS

10. TRADE AND OTHER PAYABLES

	2020 \$	2019 \$
Trade payables	89,152	11,026
Goods and Services Tax	300,850	-
Accruals and other payables	49,016	49,566
Total	439,018	60,592

a) Recognition and measurement

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. Refer to Note 13 for accounting policy on the classification and measurement of trade and other payables.

Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group 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.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included with other receivables or payables in the statement of financial position.

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

Annual Leave

A liability is recognised for the amount expected to be paid to an employee for annual leave they are presently entitled to as a result of past service. The liability includes allowances for on-costs such as superannuation and payroll taxes, as well as any future salary and wage increases that the employee may be reasonably entitled to.

Defined Contribution Superannuation Expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.



KEY NUMBERS

11. CONTRIBUTED EQUITY

	2020 No. of Shares	2019 No. of Shares	2020 \$	2019 \$
Fully paid ordinary shares	29,377,134	27,287,556	5,006,160	4,830,994
Movements in ordinary share capital	No. of Shares		\$	
At 1 January 2018	61,266,466		4,333,553	
Share consolidation – one for three	(40,845,579)		-	
Share placement	6,666,669		500,000	
Shares issued to consultants in lieu of cash	200,000		15,000	
Less: Cost to issue	-		(17,559)	
On Issue at 31 December 2019	27,287,556		4,830,994	
Shares issued for the acquisition of tenements ¹	400,000		40,000	
Share placement	1,689,578		135,166	
Total share capital on issue at 31 December 2020	29,377,134		5,006,160	

¹Represents the value of shares at the date of issue.

a) Recognition and measurement

Ordinary shares are classified as equity.

Issued Capital

Issued capital is recognised at the fair value of the consideration received. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held.

The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.



KEY NUMBERS

12. SHARE-BASED PAYMENTS

a) Share Options

There were no share options granted during the year.

The following tables illustrates options movement during the year ended 31 December 2020:

Grant Date	Date of Expiry	Exercise Price	Balance 1/01/19	Granted	Lapsed	Balance 31/12/20	Vested 31/12/20	Value of options granted during the year (\$)
26/07/18	30/09/21	0.60	1,600,000	-	-	1,600,000	-	-
26/07/18	30/09/21	0.60	373,333	-	(293,333)	80,000	-	-
29/05/19	30/09/21	0.60	80,000	-	-	80,000	-	-
Total			2,053,334	-	(293,333)	1,760,000	-	-

The weighted average contractual life of Options outstanding at the end of the year was 0.75 years (2019: 1.75).

Vesting condition for the options are as follows:

- successful ASX listing; and
- change of control of Midas.

No amount has been expensed during the period due to the deferral of the 2018 ASX listing.

The fair value at grant date stated in the table above for the options was determined using the Black-Scholes valuation methodology for options granted, and takes into account the following inputs:

Grant date and Vesting date	Expiry date	Awarded during the year	Fair value of option at award date (cents)	Exercise price (cents)	Risk free rate %	Expected volatility %
26/07/18	30/09/21	1,600,000	0.11	0.60	2.14	78
29/05/19	30/09/21	160,000	0.0368	0.60	1.11	125.99

b) Performance Rights

The following tables illustrates performance rights movement during the year ended 31 December 2020:

Grant Date	Vesting Date	Expiry date	Balance 1/01/20	Granted	Lapsed	Balance 31/12/20	Vested 31/12/20	Value of options granted during the year (\$)
26/07/18	30/09/21	30/09/21	493,333	-	(73,333)	420,000	-	-

The weighted average contractual life of Performance outstanding at the end of the year was 0.75 years (2019: 1.75).



KEY NUMBERS

The vesting conditions for the Performance Rights are as follows:

- i. the successful ASX listing of Midas;
- ii. the Shares trading at \$1.20 or greater for 5 consecutive ASX trading days; and
- iii. on a change of control of Midas.

No amount has been expensed during the period due to the deferral of the 2018 ASX listing.

The fair value at grant date stated in the table above for the performance rights was determined using the Black-Scholes valuation methodology for performance granted.

c) Acquisition of tenements

In January 2020, the Group acquired 51% interest in exploration tenements by issuing to the vendors 400,000 ordinary shares with a fair value of \$40,000. This amount plus cash consideration \$10,000 totalled \$50,000, which was accounted for as exploration and evaluation assets.

d) Recognition and measurement

Share-based compensation benefits are provided to employees via the Midas Employee Equity Incentive Plan.

The fair value of Options and Performance Rights granted under these Plans are recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the Options or Performance Rights.

The fair value of the Options and Performance Rights at grant date is determined. Assumptions into the model excludes the impact of any non-market vesting conditions (for example, listing on the ASX) and are instead included in assumptions about the number of Options and Performance Rights that are expected to vest.

At reporting date, the Group revises the estimate of the number of Options and Performance Rights that are expected to vest based on expectations related to non-market performance conditions. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the statement of profit or loss with a corresponding adjustment to equity.

e) Key estimates and judgements

The valuation models used to fair value the Options and Performance Rights take into account the exercise price, the term of the options and performance rights, the vesting period, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and assumptions on the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option and performance rights.

Additionally, assumptions are made about the number of Options and Performance Rights that are expected to vest, which could change from period to period. A change in any, or a combination, of these assumptions used in the valuation model could have a material impact on the total valuation of the Options and Performance Rights.



RISK MANAGEMENT

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

This note focuses on the financial instruments held by the Group and the Group's Financial Risk management policy.

FINANCIAL INSTRUMENTS

The Group holds the following financial assets and liabilities:

	2020 \$	2019 \$
Financial assets		
Cash and cash equivalents	3,421,853	220,400
Other receivables	-	245,758
Total	3,421,853	466,158

	2020 \$	2019 \$
Financial liabilities		
Trade and other payables	439,018	60,592
Total	439,018	60,592

a) Recognition and measurement

At initial recognition, the Group assesses the classification of its financial assets, which determines the subsequent measurement of the financial asset. Classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed immediately.

b) Subsequent measurement

Subsequent to initial recognition, all financial instruments are measured at:

- amortised cost, such as trade receivables and payables, or
- fair value through profit or loss ("FVTPL").

Other receivables are subsequently carried at amortised cost using the effective interest method. The Group does not have financial assets classified at fair value at 31 December 2020.

Any contingent consideration arising from an asset acquisition is classified as a financial liability measured at fair value, with changes in fair value recognised in the consolidated statement of profit or loss.



RISK MANAGEMENT

c) Impairment

Impairment of Other receivables is accounted for using the forward-looking expected credit loss (“ECL”) approach – general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. As the Group does not have significant other receivables, the impact of the ECL is not material.

d) Fair value measurement

Measurement of fair value is grouped into levels based on the degree to which fair value is observable in accordance with AASB 13 *Fair Value Measurement*: Disclosure.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices), and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

e) Fair value estimation

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

RISK MANAGEMENT

a) Financial risk management

The Company's principal financial instruments comprise cash and cash equivalents, receivables and payables. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the Company. The Company also holds other financial instruments such as trade creditors which arise directly from its operations.

The Board reviews and agrees policies for managing each of these risks and they are summarised below:

b) Credit Risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group is exposed to credit risk from its cash at bank and trade and other receivables as disclosed in the statement of financial position.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Group holds all of its cash and cash equivalents with banks and financial institution counterparties with acceptable credit ratings of A1+ or above. As part of managing its credit risk on cash and cash equivalents, all funds are held in Australian banks.



RISK MANAGEMENT

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure to credit risk at the end of the reporting period was as follows:

Financial assets	Notes	Carrying amount 2020 \$	Carrying amount 2019 \$
Cash and cash equivalents	7	3,421,853	220,400
Other receivables	8	-	245,758

c) Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Company manages liquidity risk by monitoring forecast cash flows, only investing surplus cash with major financial institutions; and comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The Board meets on a regular basis to analyse financial risk exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Board's overall risk management strategy seeks to assist the Company in managing its cash flows. Financial liabilities are expected to be settled within 12 months.

	Note	Carrying amount \$	12 Months or less \$
2020			
Trade payables and accruals	10	439,018	439,018
2019			
Trade payables and accruals	10	60,592	60,592

d) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Currency Risk

The Group is not currently exposed to foreign exchange risk as all transactions and balances are denominated in Australian Dollars.

ii) Interest Rate Risk

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's cash. Cash includes funds held in cheque accounts during the year, which earned variable interest at rates ranging between 0.50% and 1.0% (2019: 0.90% and 1.25%) depending on the bank account type and account balances these amounts are not considered material.



RISK MANAGEMENT

e) Price risk

The Group is not currently exposed to equity security price risk.

f) Capital Risk Management

The Group manages its capital to ensure entities in the Group will be able to continue as going concern whilst maximising the return to stakeholders through the optimisation of its capital structure comprising equity, debt and cash. The Group reviews the capital structure on an ongoing basis.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the Group, comprising issued capital and accumulated losses as disclosed in statement of changes in equity.

As at 31 December 2020, the Group had no net debt (2019: Nil).



GROUP STRUCTURE

14. GROUP STRUCTURE

a) Parent entity

The ultimate parent entity within the Group is Midas Minerals Ltd (formerly Cowan Lithium Ltd).

b) Subsidiaries

Name of entity	Country of incorporation	Equity holding	
		2020 (%)	2019 (%)
Mount Belches Pty Ltd	Australia	100	100
Marigold Minerals Pty Ltd	Australia	100	-
Kenema-Man Holdings Liberia Pty Ltd	Australia	100	100

15. PARENT ENTITY FINANCIAL INFORMATION

a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2020 \$	2019 \$
Statement of Financial Position		
Current assets	4,015,714	1,082,917
Non-current assets	-	1,171,377
Total assets	4,015,714	2,254,294
Current liabilities	971,879	63,646
Non-current liabilities	6,738	-
Total liabilities	978,617	63,646
Net assets	3,037,097	2,190,648
Shareholders' equity		
Contributed equity	5,006,160	4,830,994
Accumulated losses	(1,969,063)	(2,640,346)
Total Shareholders' equity	3,037,097	2,190,648
Loss for the year	(757,340)	(1,719,528)
Total comprehensive loss	(757,340)	(1,719,528)



GROUP STRUCTURE

b) Contingent assets and liabilities of the Parent Entity

There are no known contingent assets or liabilities in the parent entity as at 31 December 2020 (2019: nil).

c) Guarantees entered into by the Parent Entity in relation to the debts of its subsidiaries

The parent entity did not provide any guarantees at 31 December 2020.

d) Recognition and measurement

The financial information for the parent entity, Midas Minerals Ltd, has been prepared on the same basis as the consolidated financial statements with the following exceptions:

i) Investments in subsidiaries

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Midas Minerals Ltd.

ii) Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.



OTHER INFORMATION

16. RELATED PARTIES

Transactions with related parties are on normal commercial terms and at conditions no more favourable than those available to other parties unless otherwise stated.

a) Names and positions of key management personnel in office at any time during the financial year:	
Mark Calderwood	Executive Chairman
Mark Turner	Non-Executive Director
Michael Naylor	Executive Director

b) Key management personnel remuneration

Aggregate compensation of key management personnel of the Group:

	2020 \$	2019 \$
Short term employee benefits	189,217	158,932
Post-employment benefits	17,975	15,099
	207,192	174,031

Transaction with other related parties

There was no other transaction with KMP of the Group during the 2020 and 2019 financial year.

17. AUDITOR REMUNERATION

	2020 \$	2019 \$
Audit and review of financial statements		
Auditors – Ernst & Young	21,100	39,494
Non-audit services		
Tax compliance – Ernst & Young	8,000	-
Total auditor's remuneration	29,100	39,494

18. COMMITMENTS

There is no significant expenditure contracted for at the end of the reporting period (2019: Nil).



19. EVENTS OCCURRING AFTER REPORTING DATE

Subsequent to the year ended 31 December 2020, the Company completed the following:

Change of Company Name

The Company changed its name from Cowan Lithium Limited to Midas Minerals Ltd after shareholders approved the change at the general meeting held on the 12 March 2021.

Weebo Option

On 24 January 2021, the Company signed an option agreement with vendors over exploration licences totalling about 198km².

The Company has paid an option fee inclusive of refund of rents and rates of \$87,647 and issued 600,000 shares at a deemed price of 10 cents.

At any time during the 12-month option period, the Company can acquire 100% of the tenements under option by payment of \$600,000. If purchased, the vendors would hold a 1.5% gross revenue royalty.

The Company can extend the option for up to 48 months from execution, by annual payments of \$60,000.

The Company is obliged to keep the tenements in good standing and has the right to reduce the number of tenements under option.

The vendors have the right to continue to recover alluvial gold including nuggets and specimens.

Challa-Sunset Agreement

On 18 January 2021, the Company signed an agreement with vendors relating to applications for exploration licences totalling 859km² in the Midas subsidiary Marigold Minerals Pty Ltd (Challa Project) and a granted prospecting licence held by a vendor (Sunset Project).

The agreement required the vendors withdraw four applications that were held over the Challa Project area, which have all now been withdrawn.

On approval of three of Marigold Pty Ltd's exploration licence applications (two of which have already been granted), the Company will issue the vendors 1,000,000 shares and 600,000 options in Midas. The options will have an exercise price of 20 cents.

Upon issue of shares and options, the Company will acquire prospecting licence (Sunset Project) at no additional cost.

The Vendors will hold a 0.75% gross revenue royalty over the Challa project and a 1.0% gross revenue royalty over Sunset project.

There has been no other matter or circumstance occurring subsequent to end of the financial year that has significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in the future financial years.



DIRECTORS' DECLARATION

In the Directors' opinion:

- a) the financial statements and notes set out on pages 12 to 35 are in accordance with the *Corporations Act 2001 (Cth)*, including:
 - i) complying with Accounting Standards, the *Corporations Regulations 2001 (Cth)* and other mandatory professional reporting requirements; and
 - ii) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the financial year ended on that date; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

Note 2 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Executive Chairman and Chief Financial Officer required by section 295A of the *Corporations Act 2001 (Cth)*.

This declaration is made in accordance with a resolution of the Directors.

Dated at Perth on the 16th day of April 2021.

Mr Mark Calderwood
Executive Chairman



INDEPENDENT AUDITOR'S REPORT



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Independent auditor's report to the members of Midas Minerals Limited

Opinion

We have audited the financial report of Midas Minerals Limited (formerly Cowan Lithium Limited) (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2019 and of its consolidated financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2020 Annual Report, but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed, 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.

RC:CS:CWL:005

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INDEPENDENT AUDITOR'S REPORT



Responsibilities of the directors for the financial report

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

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment 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 Group'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 Group'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 Group to cease to continue as a going concern.

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INDEPENDENT AUDITOR'S REPORT



- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

Ernst & Young

R J Curtin
Partner
Perth
16 April 2021

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